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Washington, Wednesday, December 22, 1948

TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 10023

AMENDMENT OF EXECUTIVE ORDER 9984 OF JULY 31, 1948, PRESCRIBING REGULATIONS GOVERNING THE FURNISHING OF CLOTHING IN KIND OR PAYMENT OF CASH ALLOWANCES IN LIEU THEREOF TO ENLISTED PERSONNEL OF THE NAVY, COAST GUARD, NAVAL RESERVE, AND COAST GUARD RESERVE

By virtue of and pursuant to the authority vested in me by section 10 of the Pay Readjustment Act of June 16, 1942 (56 Stat. 359, 363) Executive Order 9984 of July 31, 1948, prescribing regulations governing the furnishing of clothing in kind or payment of cash allowances in lieu thereof to enlisted personnel of the Navy, Coast Guard, Naval Reserve, and Coast Guard Reserve, is hereby amended as follows:

1. The following new subsection 11 is added to Section A at the end thereof:

11. In addition to the allowances herein prescribed, enlisted men, including those holding chief petty officer rating, who, upon the effective date of this order, are serving with or who are subsequently assigned to duty as members of the United States Navy Band, shall receive a cash allowance not to exceed $80.00 for the purchase of the full dress uniform prescribed for members of the United States Navy Band by the Secretary of the Navy.

2. The following new subsection 8 is added to Section B at the end thereof:

8. (a) The amount of the cash allowance prescribed in subsection A11 shall be payable to—

(1) Enlisted men, including those holding chief petty officer rating, who, upon the effective date of this order, are actually serving as members of the United States Navy Band, and

(2) Enlisted men, including those holding chief petty officer rating, who may, subsequent to the effective date of this order, be assigned to duty as members of the United States Navy Band, and

(3) Enlisted men, including those holding chief petty officer rating, upon reenlistment or recall to active duty subsequent to the expiration of three months from date of last discharge or release from active duty, who are assigned to duty as members of the United States Navy Band.

(b) The allowance prescribed in the said subsection A11 shall be payable only once during any period of continuous active duty.

(c) The amount of the cash clothing allowance prescribed in subsection A11 shall be paid upon the written order of the Commanding Officer, U. S. Naval Receiving Station, Washington, D. C.

3. This order shall be effective as of December 1, 1948.

HARRY S. TRUMAN

THE WHITE HOUSE,
December 20, 1948.

[F. R. Doc. 48-11198; Filed, Dec. 21, 1948; 10:40 a. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter I—Farm Credit Administration, Department of Agriculture

PART 50—PRODUCTION CREDIT ASSOCIATIONS

LOAN PURPOSES; LOANS TO CERTAIN OFFICIALS; RELATION OF ASSOCIATION TO OTHER ORGANIZATIONS

Part 50 (as renumbered, 13 F. R. 5803) of Title 6, Code of Federal Regulations, is hereby amended in the following respects effective January 1, 1949:

1. Section 50.1 is amended to read as follows:

§ 50.1 *Loan purposes.* The association is authorized to provide short-term and intermediate-term credit for any general agricultural purpose to qualified farmers and stockmen. Loans may include funds for the purchase of association Class A or Class B stock.

When a doubt exists as to the authority of an association to make a particular type of loan, all pertinent facts in connection therewith should be forwarded to the president of the production credit corporation (referred to hereafter in Subchapter E of this chapter as "the corporation") for a decision.

2. Section 50.2 (f) is amended to read as follows:

(f) *Loans to directors, officers, employees and agents of the Farm Credit Administration, the corporation, and the association.* (1) A loan to a director of

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the corporation or to an officer (as distinguished from an employee) of the Farm Credit Administration of Washington, D. C., shall be subject to prior approval by the board of directors of the corporation and by the Production Credit Commissioner.

(2) A loan to an officer, employee, or agent of the corporation shall be subject to prior approval by the board of directors of the corporation.

(3) A loan to a director or officer of an association shall be subject to prior approval by the president of the corporation or, in his absence or unavailability, by the officer authorized to perform the duties of the president.

(4) A loan to a partnership, firm, or corporation in which any of the aforesaid directors, officers, employees, or agents is a member or stockholder shall be subject to the same prior approval as a loan to such person individually.

(5) A loan to a third party where more than $500.00 of the proceeds will be paid to or for the account of any of the aforesaid directors, officers, employees, or agents, or will be used in connection with real or personal property in which any such person has a legal or equitable interest, or if any such person is a creditor of or endorser for the borrower to the extent of more than $500.00 shall be subject to the same prior approval as a loan to such person.

(6) No member of the executive committee of an association shall participate in the deliberations upon an application for a loan in which he or a member of his immediate family has a legal or equitable interest. The term "immediate family" shall include a father, mother, brother, sister, son, daughter, husband, or wife.

3. Section 50.7 is amended to read as follows:

§ 50.7 *Relation of association to other organizations.* No borrowers shall be required by the association to enter into any contract or agreement with any particular association, individual, or corporation with respect to the purchase of supplies or the sale of agricultural products, livestock, or livestock products; nor shall the association require a borrower to become a member of any other organization or association; *Provided,* That with the prior approval of the president of the corporation, any of such requirements may be imposed as special credit requirements in connection with the closing of particular types of loans.

(Sec. 23, 48 Stat. 261; 12 U. S. C. 1131g)

The foregoing amendments are promulgated by all the production credit corporations with the approval of the Governor of the Farm Credit Administration.

[SEAL] I. W. DUGGAN,
Governor.

DECEMBER 16, 1948.

[F. R. Doc. 48-11159; Filed, Dec. 21, 1948; 9:03 a. m.]

Chapter II—Production and Marketing Administration (Commodity Credit)

[1948 C. C. C. Corn Bulletin 1, Supp. 1, Amdt. 1]

PART 248—CORN LOANS AND PURCHASE AGREEMENTS

1948 CORN PRICE SUPPORT PROGRAM

The regulations issued by Commodity Credit Corporation and the Production and Marketing Administration, published in 13 F. R. 5417, 5899, 6227, 6529, governing the making of loans and containing the requirements of the purchase agreement program on corn produced in 1948, are hereby amended as follows:

To the schedule of rates under § 248.224 *Loan and purchase rates,* paragraph (c) *Purchase rates,* the following States and rates therefor are added:

State:	*Rate*
California	$1.70
Idaho	1.55
Oregon	1.63
Washington	1.61

Issued this 20th day of December 1948.

[SEAL] ELMER F. KRUSE,
Manager,
Commodity Credit Corporation.

Approved:

F. K. WOOLLEY,
Vice President,
Commodity Credit Corporation.

[F. R. Doc. 48-11193; Filed, Dec. 21, 1948; 8:58 a. m.]

[1948 C. C. C. Dry Edible Bean Bulletin 1, Amdt. 2]

PART 276—DRY BEAN LOAN AND PURCHASE AGREEMENTS

1948 DRY EDIBLE BEAN PRICE SUPPORT PROGRAM

The bulletin issued by Commodity Credit Corporation and the Production and Marketing Administration, published in 13 F. R. 5256, 6348, containing the requirements of the 1948 dry edible bean price support program, is amended as follows:

1. Section 276.202 *Availability of loans and purchases,* paragraph (a) *Area,* is

amended to include the State of Oregon in the area in which loans and purchase agreements will be available to producers.

2. Section 276.206 *Eligible storage*, paragraph (a) *Farm storage*, is amended to read as follows:

(a) *Farm storage.* Under the loan program eligible farm storage shall consist of storage structures on or off the farm which, as determined by the county committee, are of such substantial and permanent construction as to permit safe storage that will prevent physical loss, permit effective fumigation for the destruction of insects, and afford protection against rodents, other animals, thieves, and weather, provided that where storage space is obtained by the producer off the farm, no warehouse receipt has been issued or, if such receipt has been issued, it is cancelled.

3. Section 276.212 *Loan and settlement rates*, paragraph (a) *Loan rate*, is amended by changing subparagraph (2) to subparagraph (3) and inserting the following subparagraph (2)

(2) On beans stored in eligible farm storage, which are cleaned and bagged (in accordance with the requirements of § 276.222 (a)) and which grade U. S. No. 2 or better as evidenced by a Federal or Federal-State inspection certificate, loans will be made at rates equal to the settlement rates specified in paragraph (b) of this section: *Provided*, That all charges, including processing, bags, bagging, and any loading-out and storage or rental charges through April 30, 1949, have been paid by the producer, or appropriate waivers obtained.

4. Section 276.212 *Loan and settlement rates*, paragraph (b) *Settlement rates*, is amended by adding the State of Oregon to the area (Idaho, Utah and counties of Dolores, Montezuma and San Miguel in Colorado) for which the settlement rate for U. S. No. 1 pinto beans is established at $8.20.

Issued this 17th day of December 1948.

[SEAL] ELMER F. KRUSE,
Manager
Commodity Credit Corporation.

Approved: December 17, 1948.

RALPH S. TRIGG,
President,
Commodity Credit Corporation.

[F. R. Doc. 48-11153; Filed, Dec. 21, 1948; 9:03 a. m.]

TITLE 7—AGRICULTURE

Chapter III—Bureau of Entomology and Plant Quarantine, Department of Agriculture

[B. E. P. Q. 571]

PART 319—FOREIGN QUARANTINE NOTICES

NURSERY STOCK, PLANT, AND SEED QUARANTINE; LIST OF APPROVED PACKING MATERIALS AND INSTRUCTIONS FOR THEIR USE

Pursuant to the authority conferred upon the Chief of the Bureau of Entomology and Plant Quarantine by § 319.-37-16 of the regulations supplemental to the Nursery Stock, Plant, and Seed Quarantine No. 37 (7 CFR 319.37-1 through 319.37-25, 13 F R. 4267) the following administrative instructions are hereby issued to approve certain packing materials that may be employed in connection with any shipment of restricted plant materials, to prescribe instructions as to their use, and to indicate situations under which limited modifications may be made where conditions as to pest risk permit.

§ 319.37-16a *Administrative instructions: list of approved packing materials and instructions for their use.* The following materials, when free from sand, soil, or earth unless otherwise noted, and when they have not been previously used as packing or otherwise with living plants, are approved as packing materials for use in connection with any shipment of restricted plant materials imported in accordance with Nursery Stock, Plant, and Seed Quarantine No. 37 and supplementary regulations (§§ 319.37 through 319.37-25, 13 F. R. 4267)

Buckwheat hulls.
Charcoal (inspection is difficult when this material is used. It should be used only where its particular qualities are especially desirable and other approved packing materials are unsuitable.)
Coral sand from Bermuda, when free from surface soil, and certified as such by the Director of Agriculture of Bermuda.
Excelsior.
Exfoliated vermiculite.
Ground cork.
Ground peat.
Sawdust.
Shavings.
Sphagnum moss.
Vegetable fiber when free of pulp, including coconut fiber and Osmunda fiber, but excluding sugarcane fiber and cotton fiber.

In cases of emergency an inspector may approve for use for specific shipments packing materials other than those listed, after he has determined that such materials are free from sand, soil, or earth and that their use does not involve a risk of introducing plant pests. Should the inspector determine that any unlisted packing material accompanying a specific shipment of restricted plant material is objectionable, the shipment may be refused entry.

Regulations governing the entry of hay and straw packing material are contained in this Department's Bureau of Animal Industry Order 371 (9 CFR 95.21 and 95.22) Such material is restricted entry from countries where rinderpest or foot-and-mouth disease exists. Any such material offered for entry without having met the conditions of § 95.21 (9 CFR 95.21) is required by § 95.22 (9 CFR 95.22) to be disinfected or burned. The provisions of this Bureau of Animal Industry order are not applicable to hay or straw mats, jackets, or casings.

All restricted material from Europe and Canada must be free from willow withes. Such material, when not free from willow withes, will be refused entry until the withes are removed and destroyed. Such material, when accompanied by willow withes, may be held in customs custody for a period not exceeding 40 days, during which period the permittee or his agent, after making satisfactory arrangements, may remove and destroy the withes under the supervision of, and in a manner satisfactory to, an inspector, after which the shipment may be handled in the usual way. (Secs. 1, 3, 33 Stat. 1269, 1270, secs. 1, 5, 7, 37 Stat. 315, 316, 317, as amended, 7 U. S. C. 141, 143, 7 U. S. C. and Sup. 154, 159, 160)

The authorization to use certain packing materials which is included in the present administrative instructions is being deleted therefrom due to the fact that it has been determined that the use of such materials involves pest risks. The public interest requires that this action be consummated at the earliest practicable date. The names of certain other packing materials have been added to those whose use is permitted by the present administrative instructions. It is of advantage to shippers that they be authorized as soon as possible to use the new materials. The amendment, insofar as such new materials is concerned, constitutes a relaxation of restrictions. Therefore, good cause is found for the issuance of these administrative instructions effective less than 30 days after the publication thereof.

These administrative instructions shall supersede B. E. P Q. 365 (7 CFR 319.37-7a) and B. E. P Q. 369 (7 CFR 319.37-7b) They shall be effective January 1, 1949, and shall remain in effect until modified or revoked.

Done at Washington, D. C., this 17th day of December 1948.

[SEAL] AVERY S. HOYT,
Acting Chief, Bureau of Entomology and Plant Quarantine.

[F. R. Doc. 48-11151; Filed, Dec. 21, 1948; 9:03 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders)

PART 1596—FOOD IMPORTS

TERMINATION OF STATEMENT OF POLICY RE ISSUANCE OF IMPORT AUTHORIZATIONS FOR FLAXSEED AND LINSEED OIL

Pursuant to the authority vested in me by War Food Order No. 63, as amended (12 F R. 459) § 1596.4 of 7 CFR, 1947 Supp. entitled "Statement of Policy Re Issuance of Import Authorizations for Flaxseed and Linseed Oil under War Food Order No. 63," issued May 6, 1947, is hereby terminated effective upon publication of this notice in the FEDERAL REGISTER.

(E. O. 9280, 7 F R. 10179; E. O. 9577, 10 F R. 8087; W F O. 63, 12 F. R. 459)

Issued this 17th day of December 1948.

[SEAL] RALPH S. TRIGG,
Administrator Production and Marketing Administration.

[F. R. Doc. 48-11152; Filed, Dec. 21, 1948; 9:03 a. m.]

TITLE 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 240—RULES AND REGULATIONS UNDER SECURITIES EXCHANGE ACT OF 1934

Because of the numerous amendments which have been made in Title 17—Commodity and Securities Exchanges, Chapter II—Securities and Exchange Commission, Part 240—Rules and Regulations Under Securities Exchange Act of 1934, of the Code of Federal Regulations, Part 240 in its entirety is reprinted for convenient reference in this issue of the FEDERAL REGISTER. All amendments which have been made since June 1, 1938, the effective date of the original codification, through November 5, 1948, and which are currently effective, have been incorporated in this reprint.

This reprint was prepared by the Division of the Federal Register with the concurrence of the Securities and Exchange Commission, which has examined the contents for completeness and accuracy of substance.

[SEAL] ORVAL L. DUBOIS,
Secretary, Securities and Exchange Commission.

DECEMBER 15, 1948.

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AUTHORITY: §§ 240.0-1 to 240.24b-3, issued under sec. 23, 48 Stat. 901, sec. 8, 49 Stat. 1379; 15 U. S. C. 78w. Statutory provisions interpreted or applied are cited to text in parentheses.

RULES OF GENERAL APPLICATION

§ 240.0-1 *Definitions.* (a) As used in the rules and regulations in this part, prescribed by the Commission pursuant to title I of the Securities Exchange Act of 1934 (48 Stat. 881-905; 15 U. S. C. chapter 2 B) unless the context otherwise specifically requires:

(1) The term "Commission" means the Securities and Exchange Commission.

(2) The term "act" means title I of the Securities Exchange Act of 1934.

(3) The term "section" refers to a section of the Securities Exchange Act of 1934.[1]

(4) The terms "rule" and "regulation" refer to the rules and regulations prescribed by the Commision pursuant to the act.

(b) Unless otherwise specifically stated, the terms used in this part shall have the meaning defined in the act.

(c) A rule or regulation which defines a term without express reference to the act or to the rules and regulations, or to a portion thereof, defines such term for all purposes as used both in the act and in the rules and regulations, unless the

[1] The provisions of clause (3) of paragraph (a) relate to the terminology of rules and regulations as published by the Securities and Exchange Commission and are inapplicable to the terminology appearing in the Code of Federal Regulations.

context otherwise specifically requires. [Rule X-1]

CROSS REFERENCES: For defintion of "listed" see § 240.3b-1; "officer" § 240.3b-2; "short sale" § 240.3b-3. For additional definitions, see § 240.15c1-1.

§ 240.0-2 *Forms.* Registration statements shall be in the form prescribed therefor by the Commission and in effect upon the date of filing and shall contain the full and complete information required or called for by the several questions, directions, instructions, and other requirements set forth in said form of registration statement. The registration statement shall be on unglazed paper of good quality and of the size prescribed by the Commission (8½ x 13) The text of such registration statement shall be printed or typewritten, where practicable, and be in distinct and easily readable type. All printing, typing or other markings used therein shall be in black. Papers shall not be bound together except on the left hand side, and shall have a left margin of at least 1½ inches. [Rule X-2]

CROSS REFERENCES: For registration and exemption of exchanges, see §§ 240.6b-1, 240.6b-4. For forms for permanent registration of securities, see § 240.12b-1. For regulations relating to registration of securities, see §§ 240.12b-1 to 240.12d-4. For forms for applications for registration of brokers and dealers, see §§ 240.15b-1 to 240.15b-6.

§ 240.0-3 *Filing.* All papers required to be filed with the Commission shall be delivered through the mails or otherwise to the Securities and Exchange Commission, Washington, D. C. The date on which such papers are actually received by the Securities and Exchange Commission, Washington, D. C., shall be the date of filing thereof: *Provided,* That all requirements of the Act and the rules and regulations with respect to such filing have been complied with. [Rule X-3]

§ 240.0-4 *Non-disclosure of information obtained in examinations and investigations.* Information or documents obtained by officers or employees of the Commission in the course of any examination or investigation pursuant to section 17 (a) (48 Stat. 897, sec. 4, 49 Stat. 1379; 15 U. S. C. 78q (a)) or 21 (a) (48 Stat. 899; 15 U. S. C. 78u (a)) shall, unless made a matter of public record, be deemed confidential. Officers and employees are hereby prohibited from making such confidential information or documents available to anyone other than a member, officer, or employee of the Commission, unless the Commission authorizes the disclosure of such information or the production of such documents as not being contrary to the public interest. Any officer or employee who is served with a subpoena requiring the disclosure of such information or the production of such documents shall appear in court and, unless the authorization described in the preceding sentence shall have been given, shall respectfully decline to disclose the information or produce the documents called for, basing his refusal upon § 240.0-4. Any officer or employee who is served with such a subpoena shall promptly advise the Commission of the service of such subpoena, the nature of the information or documents sought, and any circumstances which may bear upon the desirability of making available such information or documents. [Rule X-4]

CROSS REFERENCE: For nondisclosure of information filed with the Commission and with an exchange, see § 240.24b-2.

§ 240.0-5 *Reference to rule by obsolete designation.* Wherever in any rule, form, or instruction book specific reference is made to a rule by number or other designation which is now obsolete, such reference shall be deemed to be made to the corresponding rule or rules in the existing general rules and regulations. [Rule X-5]

MISCELLANEOUS EXEMPTIONS

§ 240.3a12-2 *Exemption of certain securities, the income on which is substantially guaranteed by States or political subdivisions thereof.* (a) A security shall be exempt from the operation of such provisions of the act as by their terms do not apply to an "exempted security" or to "exempted securities" if:

(1) A state or political subdivision thereof is obligated to make good to the issuer of such security any deficiency in the income of such issuer, to the extent necessary to pay to the holders of such security interest or dividends at a specified rate; and

(2) The business of such issuer is managed by such state or political subdivision or by a board of officers appointed by such state or political subdivision.

(b) The exemption provided by this section shall be available to such security only so long as the conditions specified in paragraph (a) of this section are satisfied or during the subsequent dissolution of the issuer of any security so exempted. Sec. 3 (a) (12) 48 Stat. 884, 15 U. S. C. 78c (a) (12)) [Rule X-3A12-2]

§ 240.3a12-3 *Exemption from sections 14 (a) and 16 of certain securities.* Securities for which the filing of applications on Form 18, 19, 20 or 21 is authorized shall be exempt from the operation of sections 14 (a) and 16 (48 Stat. 882, 895, 896; 15 U. S. C. 78c (a) (12), 78n (a), 78p) [Rule X-3A 12-3]

DEFINITIONS

§ 240.3b-1 *Definition of "listed."* The term "listed" means admitted to full trading privileges upon application by the issuer or its fiscal agent or, in the case of the securities of a foreign corporation, upon application by a banker engaged in distributing them; and includes securities for which authority to add to the list on official notice of issuance has been granted. (Sec. 3 (b), 48 Stat. 882; 15 U. S. C. 78c (b)) [Rule X-3B-1]

§ 240.3b-2 *Definition of "officer."* The term "officer" means a president, vice-president, treasurer, secretary, comptroller, and any other person who performs for an issuer, whether incorporated or unincorporated, functions corresponding to those performed by the foregoing officers. (Sec. 3 (b) 48 Stat. 882; 15 U. S. C. 78c (b).) [Rule X-31-2]

§ 240.3b-3 *Definition of "sort sale."* The term "short sale" means any sale of a security which the seller does not own or any sale which is consummated by the delivery of a security borrowed by, or for the account of the seller. (Sec. 3 (b), 48 Stat. 882; 15 U. S. C. 78c (b).) [Rule X-3B-3]

CROSS REFERENCE: For regulations relating to "short sale", see §§ 240.10a-1, 240.10a-2.

REGISTRATION AND EXEMPTION OF EXCHANGES

§ 240.6b-1 *Registration and exemption of exchanges.* Any application for registration or exemption from registration of an exchange as a national securities exchange shall be made on Form 1 accompanied by three copies of the statement and exhibits prescribed by the Commission to be filed in connection therewith. (Sec. 6, 48 Stat. 885; 15 U. S. C. 78f) [Rule X-6B-1]

§ 240.6b-2 *Amendments and supplements to registration statements of exchanges.* Every exchange applying for registration or registered as a national securities exchange shall keep its registration statement up to date in the manner prescribed in paragraphs (a)-(d) of this section:

(a) *Amendments.* Promptly after the discovery of any inaccuracy in the registration statement or in any amendment or supplement thereto the exchange shall file with the Commission an amendment correcting such inaccuracy.

(b) *Current supplements.* Promtly after any change which renders no longer accurate any information contained or incorporated in the registration statement or in any amendment or supplement thereto the exchange shall file with the Commission a current supplement setting forth such change, except that:

(1) If changes in the information called for in Exhibits C, D and E are reported in any record which is published weekly by the exchange and promptly filed in triplicate with the Commission, no current supplements need be filed with respect to such changes;

(2) If written notice of changes in the information called for in Exhibit I is filed with the Commission at least semimonthly, no current supplements need be filed with respect to such changes;

(3) No current supplements need be filed with respect to changes in the information called for in Exhibits B and J.

(c) *Annual supplements.* (1) Promptly after the close of each calendar year the exchange shall file with the Commission a supplement setting forth the information called for in Exhibits C, D and E as of the close of such year. (2) Promptly after the close of each fiscal year of the exchange, it shall file with the Commission a supplement setting forth its balance sheet as of the close of such year and its income and expense statement for such year. Promptly after the close of each fiscal year of each affiliate and subsidiary then listed in the registration statement or any amenoment or supplement thereto in answer to Item 7, the exchange shall file with the Commission a supplement setting forth the balance sheet of such affiliate or subsidiary as of the close of such year and

the income and expense statement of such affiliate or subsidiary for such year.

(d) *Form and records.* Every amendment or supplement shall be filed in triplicate, at least one of which must be signed and attested, in the same manner as required in the case of the original registration statement, and must conform to the requirements of § 240.0-2 and Form 9. All amendments and supplements shall be dated and numbered in order of filing. One amendment or supplement may include any number of changes. In addition to the formal filing of amendments and supplements above described, each exchange shall send to the Commission three copies of any notices, reports, circulars, loose-leaf insertions, riders, new editions, lists, or other records of changes covered by amendments or supplements when, as, and if such records are made available to members of the exchange. (Sec. 6, 48 Stat. 885, 15 U. S. C. 78f) [Rule X-6B-2]

§ 240.6b-3 *Applicability of §§ 240.12a-1, 240.12a-2, 240.12a-3 to securities listed on an exempted exchange which subsequently becomes registered; financial requirements for registration of such securities.* If a temporary exemption from registration shall have been granted to any exchange and registration of such exchange as a national securities exchange shall subsequently have become effective:

(a) Sections 240.12a-1, 240.12a-2, 240.12a-3 shall be applicable to any security which was listed on such exchange at the time such exemption was granted and which continued to be so listed until registration of such exchange became effective, with the same force and effect as though such registration had become effective on or before June 30, 1935, and temporary registration of such security on such exchange had expired on June 30, 1935.

(b) For the purposes of any application by the issuer of any such security, for the registration of any of its securities, the requirements with respect to financial statements and the certification thereof which are applicable to registrants having a security temporarily registered on Form 2 or 3[4] shall be applicable to such issuer. (Secs. 3, 6, 12, 48 Stat. 882, 885, 892, sec. 1, 49 Stat. 1375; 15 U. S. C. 78c, 78f, 78l) [Rule X-6B-4]

§ 240.6b-4 *Amendments and supplements to applications for exemption from registration as a national securities exchange.* Every exchange applying for exemption from registration as a national securities exchange or granted exemption from such registration shall keep its application for such exemption up-to-date in the manner prescribed in paragraphs (a)-(d) of this section:

(a) *Amendments.* Promptly after the discovery of any inaccuracy in such application or in any amendment or supplement thereto the exchange shall file with the Commission an amendment correcting such inaccuracy.

(b) *Current supplements.* Promptly after any change which renders no longer accurate any information contained or incorporated in such application or in any amendment or supplement thereto the exchange shall file with the Commission a current supplement setting forth such change, except that no current supplements need be filed with respect to changes in the information called for in Items 26, 27, 28 and 30 and in Exhibits B, C, D and E. Current supplements filed to report the termination of listed or unlisted trading privileges in any security admitted to dealing on the exchange shall include a brief statement of the reasons for such termination.

(c) *Periodic supplements.* (1) Promptly after the end of each quarter of each calendar year the exchange shall file with the Commission a supplement setting forth the information called for in Exhibits C, D, and E as of the end of such quarter. (2) Promptly after the close of each calendar month the exchange shall file with the Commission a supplement setting forth, with respect to each security listed on the exchange or admitted to unlisted trading privileges thereon, the number of shares of stock or the aggregate face amount of bonds bought on the exchange during such month. (3) Promptly after the close of each fiscal year of the exchange, it shall file with the Commission a supplement setting forth its balance sheet as of the close of such year and its income and expense statement for such year. Promptly after the close of each fiscal year of each affiliate and subsidiary then listed in such application or any amendment or supplement thereto in answer to Item 7, the exchange shall file with the Commission a supplement consisting of the balance sheet of such affiliate or subsidiary as of the close of such year and the income and expense statement of such affiliate or subsidiary for such year.

(d) *Form and records.* Every amendment or supplement shall be filed in triplicate, at least one of which must be signed and attested, in the same manner as required in the case of the original application for exemption, and must conform to the requirements of § 240.0-2 and Form 9-A. All amendments and supplements shall be dated and numbered in order of filing. One amendment or supplement may include any number of changes. In addition to the formal filing of amendments and supplements above described, each exchange shall send to the Commission three copies of any notices, reports, circulars, loose-leaf insertions, riders, new editions, lists, or other records of changes covered by amendments or supplements when, as and if such records are made available to members of the exchange. (Sec. 6, 48 Stat. 885; 15 U. S. C. 78f) [Rule X-6B-4]

EXEMPTION OF CERTAIN SECURITIES FROM THE OPERATION OF SECTION 7 (C) (2)

§ 240.7c2-1 *Exemption from section 7 (c) (2) of certain securities exempted from registration or admitted to trading on exchanges exempted from registration.* (a) So long as any security continues to be listed on a national securities exchange as a security exempted from the operation of section 12 (a) (48 Stat. 892; 15 U. S. C. 781 (a)), pursuant to a rule which specifically provides that this section shall be applicable to such security, such security shall be exempt from the operation of section 7 (c) (2) (48 Stat. 887; 15 U. S. C. 78g (c) (2)) to the extent necessary to render lawful any direct or indirect extension or maintenance of credit thereon or any direct or indirect arrangement therefor which would not have been unlawful if such security had been a security (other than an exempted security) registered on a national securities exchange.

(b) So long as any security which is not registered on a national securities exchange continues to be admitted to either listed or unlisted trading privileges on any exchange which is exempted from registration as a national securities exchange, such security shall be exempt from the operation of section 7 (c) (2) of the Act to the extent necessary to render lawful any direct or indirect extension or maintenance of credit thereon or any direct or indirect arrangement therefor which would not have been unlawful if such security had been a security (other than an exempted security) registered on a national securities exchange. (Sec. 3 (a) (12) 7 (c) (2) 48 Stat. 882, 886; 15 U. S. C. 78c (a) (12), 78g (c) (2)) [Rule X-7C2-1]

CROSS REFERENCES: For sections to which this section is applicable, see §§ 240.12a-1 to 240.12a-9. For definition of "listed" see § 240.3b-1. For registration and exemption of exchanges, see §§ 240.6b-1 to 240.6b-4. For differentiation on ticker between transactions in listed and unlisted securities, see § 240.12f-5. For regulations as to unlisted privileges, see §§ 240.12f-1 to 240.12f-5.

HYPOTHECATION OF CUSTOMERS' SECURITIES

§ 240.8c-1 *Hypothecation of customers' securities*—(a) *General provisions.* No member of a national securities exchange, and no broker or dealer who transacts a business in securities through the medium of any such member shall, directly or indirectly, hypothecate or arrange for or permit the continued hypothecation of any securities carried for the account of any customer under circumstances:

(1) That will permit the commingling of securities carried for the account of any such customer with securities carried for the account of any other customer, without first obtaining the written consent of each such customer to such hypothecation;

(2) That will permit such securities to be commingled with securities carried for the account of any person other than a bona fide customer of such member, broker or dealer under a lien for a loan made to such member, broker or dealer; or

(3) That will permit securities carried for the account of customers to be hypothecated, or subjected to any lien or liens or claim or claims of the pledgee or pledgees, for a sum which exceeds the aggregate indebtedness of all customers in respect of securities carried for their accounts; except that this clause shall not be deemed to be violated by reason of an excess arising on any day through

[4] Forms 2 and 3 now obsolete.

the reduction of the aggregate indebtedness of customers on such day, provided that funds or securities in an amount sufficient to eliminate such excess are paid or placed in transfer to pledgees for the purpose of reducing the sum of the liens or claims to which securities carried for the account of customers are subjected as promptly as practicable after such reduction occurs, but before the lapse of one-half hour after the commencement of banking hours on the next banking day at the place where the largest principal amount of loans of such member, broker or dealer are payable and, in any event, before such member, broker or dealer on such day has obtained or increased any bank loan collateralized by securities carried for the account of customers.

(b) *Definitions.* For the purposes of this section:

(1) The term "customer" shall not be deemed to include any general or special partner or any director or officer of such member, broker, or dealer, or any participant, as such, in any joint, group or syndicate account with such member, broker, or dealer or with any partner, officer or director thereof;

(2) The term "securities carried for the account of any customer" shall be deemed to mean:

(i) Securities received by or on behalf of such member, broker or dealer for the account of any customer;

(ii) Securities sold and appropriated by such member, broker or dealer to a customer, except that if such securities were subject to a loan when appropriated to a customer they shall not be deemed to be "securities carried for the account of any customer" pending their release from such lien as promptly as practicable;

(iii) Securities sold, but not appropriated, by such member, broker or dealer to a customer who has made any payment therefor, to the extent that such member, broker or dealer owns and has received delivery of securities of like kind, except that if such securities were subject to a lien when such payment was made they shall not be deemed to be "securities carried for the account of any customer" pending their release from such lien as promptly as practicable;

(3) "Aggregate indebtedness" shall not be deemed to be reduced by reason of uncollected items. In computing aggregate indebtedness, related guaranteed and guarantor accounts shall be treated as a single account and considered on a consolidated basis, and balances in accounts carrying both long and short positions shall be adjusted by treating the market value of the securities required to cover such short positions as though such market value were a debit; and

(4) In computing the sum of the liens or claims to which securities carried for the account of customers of a member, broker or dealer are subject, any rehypothecation of such securities by another member, broker or dealer who is subject to this section or to § 240.15c2-1 shall be disregarded.

(c) *Exemption for cash accounts.* The provisions of paragraph (a) (1) of this section shall not apply to any hypothecation of securities carried for the account of a customer in a special cash account within the meaning of 12 CFR 220.4 (c) *Provided,* That at or before the completion of the transaction of purchase of such securities for, or of sale of such securities to, such customer, written notice is given or sent to such customer disclosing that such securities are or may be hypothecated under circumstances which will permit the commingling thereof with securities carried for the account of other customers. The term "the completion of the transaction" shall have the meaning given to such term by § 240.15c1-1 (b)

(d) *Exemption for clearing house liens.* The provisions of paragraphs (a) (2) (a) (3) and (f) of this section shall not apply to any lien or claim of the clearing corporation, or similar department or association, of a national securities exchange, for a loan made and to be repaid on the same calendar day, which is incidental to the clearing of transactions in securities or loans through such corporation, department or association: *Provided, however,* That for the purpose of paragraph (a) (3) of this section "aggregate indebtedness of all customers in respect of securities carried for their accounts" shall not include indebtedness in respect of any securities subject to any lien or claim exempted by this paragraph.

(e) *Exemption for certain liens on securities of noncustomers.* The provisions of paragraph (a) (2) of this section shall not be deemed to prevent such member, broker or dealer from permitting securities not carried for the account of a customer to be subjected (1) to a lien for a loan made against securities carried for the account of customers, or (2) to a lien for a loan made and to be repaid on the same calendar day. For the purpose of this exemption, a loan shall be deemed to be "made against securities carried for the account of customers" if only securities carried for the account of customers are used to obtain or to increase such loan or as substitutes for other securities carried for the account of customers.

(f) *Notice and certification requirements.* No person subject to this section shall hypothecate any security carried for the account of a customer unless, at or prior to the time of each such hypothecation, he gives written notice to the pledgee that the security pledged is carried for the account of a customer and that such hypothecation does not contravene any provision of this section, except that in the case of an omnibus account the member, broker or dealer for whom such account is carried may furnish a signed statement to the person carrying such account that all securities carried therein by such member, broker or dealer will be securities carried for the account of his customers and that the hypothecation thereof by such member, broker or dealer will not contravene any provision of this section. The provisions of this paragraph shall not apply to any hypothecation of securities under any lien or claim of a pledgee securing a loan made and to be repaid on the same calendar day. (Secs. 3, 8, 48 Stat. 882, 888, as amended; 15 U. S. C. 78c, 78h) [Rule X-8C-1]

CROSS REFERENCE: For interpretative releases applicable to § 240.8c-1, see §§ 241.2830 and 241.2832 of this chapter.

PEGGING, FIXING, AND STABILIZING THE PRICES OF SECURITIES TO FACILITATE OFFERINGS AT THE MARKET

§ 240.9a6-1 *Scope of §§ 240.9a6-1 to 240.9a6-6.* Sections 240.9a6-1 to 240.9a6-6 shall apply to any person who, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange, effects either alone or with one or more other persons any series of transactions for the purchase and/or sale of any security (other than an exempted security) registered on a national securities exchange for the purpose of pegging, fixing, or stabilizing the price of such security (hereinafter referred to as stabilizing) to facilitate an offering at the market of any registered security.

§ 240.9a6-2 *Definitions.* When used in §§ 240.9a6-1 to 240.9a6-6 and in Form X-9A6-1, unless the context otherwise requires:

(a) The term "offering at the market" means an offering in which the offering price is represented to be "at the market" or at a price related to the market price.

(b) The term "designated exchange" means the national securities exchange designated in the notice of intention to stabilize as the principal exchange market for a security.

(c) The term "security which is a subject of the offering" means any security comprised within such offering or any security of the same class.

(d) The term "security involved in the stabilization" means any security which is a subject of the offering or any other security being stabilized to facilitate such offering.

§ 240.9a6-3 *Notice of intention to stabilize.* No person subject to §§ 240.9a6-1 to 240.9a6-6 shall stabilize a security unless he has sent a notice of intention to stabilize such security to the Commission in triplicate on Form X-9A6-1 and at least one copy to each national securities exchange on which it is intended to effect any stabilizing transactions.

§ 240.9a6-4 *Transactions while stabilizing.* (a) In respect of any security involved in the stabilization, or of any right or warrant to subscribe to any such security, no person subject to §§ 240.9a6-1 to 240.9a6-6, inclusive, shall, for the account of any of the persons stabilizing, or in the exercise of discretionary power:

(1) Effect any purchase thereof (i) above the price at which the last sale thereof regular way was effected on its designated exchange, or (ii) at such last sale price unless the highest price which the security attained on that exchange on the date of the purchase exceeds such last sale price by one-half of 1 percent of the highest price or one-fourth point, whichever is greater; or

(2) Effect any purchase or sale thereof above the maximum price thereof, as defined in paragraph (b) of this section,

except that this subparagraph shall not be applicable to sales made through the sales of rights or warrants or conversion privileges; or

(3) Effect any purchase thereof which is designed to raise the prevailing market price thereof; or

(4) Effect any purchase thereof at a price which he knows, or has reasonable grounds to believe, is the result of one or more transactions raising the price thereof for the purpose of inducing the purchase of such security by others; or

(5) Effect any purchase thereof at a price at which he knows another person is then competing with him for the purchase of such security from the same seller or broker; or

(6) If such security is a subject of the offering, effect any purchase thereof at a price above the price at which the offering is currently being made.

(b) The maximum price of a security involved in the stabilization (other than a right or a warrant) shall be an amount equal to 102½ percent of the price at which the first purchase thereof is effected in the open market for the account of any stabilizer after the notice of intention to stabilize is sent to the Commission, but shall not exceed such first purchase price by more than one point, except that:

(1) If such security is sold ex-right, ex-warrant, ex-dividend, or ex-interest, the maximum price thereof, as soon as it is so sold, shall be reduced by the market value of such right, warrant, dividend, or interest, or if there is no such market value, by the value as computed by any reasonable method; or

(2) If the number of outstanding shares is, or is to be, increased or decreased by a split-up or combination, the maximum price of the securities issued, or to be issued, pursuant to the split-up or combination shall be computed in proportion to the increase or decrease as soon as a sale of such securities is effected.

(c) If the maximum price of a security computed in accordance with the foregoing is not a multiple of the customary minimum price variation for such security on its principal market, such maximum price shall be increased by the smallest amount necessary to make it a multiple thereof.

§ 240.9a6-5 *Requirements for disclosure.* A person subject to §§ 240.9a6-1 to 240.9a6-6, inclusive:

(a) Shall not use or furnish for use by others any written communication for the purpose of inducing a purchase of any security involved in the stabilization or any right or warrant to subscribe to any such security, unless the statement required by paragraph (b) of this section is included therein;

(b) If he sells to any person, otherwise than on an exchange, or purchases for the account of any person, any such security, shall give or send, at or before the completion of the transaction, written disclosure to such person that stabilizing transactions have been effected to facilitate the offering, if that be the fact, and, in any event shall deliver in writing to such person, before the completion of the transaction, a statement substantially similar to the following:

To facilitate the offering, it is intended to stabilize the price(s) of _____

_____

(Identify security(ies) in which stabilizing transactions will be effected)

on _____

_____

(Identify exchange(s) on which stabilizing transactions will be effected. If none, omit this line)

this statement is not an assurance that the price(s) of the above security(ies) will be stabilized or that the stabilizing, if commenced, may not be discontinued at any time.

§ 240.9a6-6 *Reports.* Every person subject to §§ 240.9a6-1 to 240.9a6-6, inclusive, shall file with the Commission all reports and the notice of termination required to be filed by § 240.17a-2 even though he is not otherwise subject to that section. (Secs. 9, 17, 48 Stat. 889, 897; sec. 4, 49 Stat. 1379; sec. 5, 52 Stat. 1076; 15 U. S. C. 78i (a) (6) 78 q (a)) [Rule X-9A6-1]

SHORT SALES

§ 240.10a-1 *Short sales.* (a) No person shall, for his own account or for the account of any other person, effect on a national securities exchange a short sale of any security (1) below the price at which the last sale thereof, regular way, was effected on such exchange, or (2) at such price unless such price is above the next preceding different price at which a sale of such security, regular way, was effected on such exchange. In determining the price at which a short sale may be effected after a security goes ex-dividend, ex-right, or ex- any other distribution, all sale prices prior to the "ex" date may be reduced by the value of such distribution.

(b) No member of a national securities exchange shall, by the use of any facility of such exchange, execute any sell order unless such order is marked either "long" or "short"

(c) No member of a national securities exchange shall mark a sell order "long" unless (1) the security to be delivered after sale is carried in the account for which the sale is to be effected, or (2) such member is informed that the seller owns the security ordered to be sold and, as soon as is possible without undue inconvenience or expense, will deliver the security owned to the account for which the sale is to be effected.

(d) The provisions of paragraph (a) of this section shall not apply to (1) any sale by any person, for an account in which he has an interest, if such person owns the security sold and intends to deliver such security as soon as is possible without undue inconvenience or expense; (2) any member in respect of a sale, for an account in which he has no interest, pursuant to an order to sell which is marked "long"; (3) any sale of an odd-lot; (4) any sale by an odd-lot dealer to offset odd-lot orders of customers; (5) any sale by an odd-lot dealer to liquidate a long position which is less than a round lot, provided such sale does not change the position of such odd-lot dealer by more than the unit of trading; (6) any sale of a security on a national securities exchange effected with the approval of such exchange which is necessary to equalize the price of such security thereon with the current price of such security on another national securities exchange which is the principal exchange market for such security; (7) any sale of a security for a special arbitrage account by a person who then owns another security by virtue of which he is, or presently will be, entitled to acquire an equivalent number of securities of the same class as the securities sold; provided such sale, or the purchase which such sale offsets, is effected for the bona fide purpose of profiting from a current difference between the price of the security sold and the security owned and that such right of acquisition was originally attached to or represented by another security or was issued to all the holders of any class of securities of the issuer; (8) any sale of a security on a national securities exchange effected for a special international arbitrage account for the bona fide purpose of profiting from a current difference between the price of such security on a securities market not within or subject to the jurisdiction of the United States and on such national securities exchange: *Provided,* The seller at the time of such sale knows or, by virtue of information currently received, has reasonable grounds to believe that an offer enabling him to cover such sale is then available to him in such foreign securities market and intends to accept such offer immediately; or (9) any sale of a security on a national securities exchange effected in accordance with a special offering plan declared effective by the Commission pursuant to § 240.10b-2 (d)

For the purpose of subparagraph (8) a depositary receipt for a security shall be deemed to be the same security as the security represented by such receipt. (Sec. 10a, 48 Stat. 891, 15 U. S. C. 78j (a)) [Rule X-10A-1]

CROSS REFERENCES: For interpretative release applicable to § 240.10a-1, see § 241.1571 of this chapter; for definition of "short sale" see § 240.3b-3.

§ 240.10a-2 *Requirements for covering purchases.* (a) No member of a national securities exchange shall lend, or arrange for the loan of, any security for delivery to the broker for the purchaser after sale, or shall fail to deliver a security on the date delivery is due, if such member knows or has reasonable grounds to believe that the sale was effected, or will be effected, pursuant to an order marked "long", unless such member knows, or has been informed by the seller, (1) that the security sold has been forwarded to the account for which the sale was effected; or (2) that the seller owns the security sold, that it is then impracticable to deliver to such account the security owned and that he will deliver such security to such account as soon as is possible without undue inconvenience or expense.

(b) The provisions of paragraph (a) of this section shall not apply (1) to the lending of a security by a member through the medium of a loan to another member, or (2) to any loan, or arrangement for the loan, of any security, or to any failure to deliver any se-

curity if, prior to such loan, arrangement, or failure to deliver, the exchange upon which the sale requiring the delivery of such security was effected finds (i) that such sale resulted from a mistake made in good faith, (ii) that due diligence was used to ascertain that the circumstance specified in § 240.10a-1 (c) (1) existed or to obtain the information specified in § 240.10a-1 (c) (2) and (iii) either that the condition of the market at the time the mistake was discovered was such that undue hardship would result from covering the transaction by a "purchase for cash", or that the mistake was made by the seller's broker and the sale was at a price permissible for a short sale under § 240.10a-1 (a) (Sec. 10a, 48 Stat. 891; 15 U. S. C. 78j (a)) [Rule X-10A-2]

CROSS REFERENCE: For interpretative release applicable to § 240.10a-2, see § 241.1571 of this chapter.

MANIPULATIVE AND DECEPTIVE DEVICES AND CONTRIVANCES

§ 240.10b-1 *Prohibition of use of manipulative or deceptive devices or contrivances with respect to certain securities exempted from registration.* The term "manipulative or deceptive device or contrivance," as used in section 10 (b) (48 Stat. 891, 15 U. S. C. 78j (b)), is hereby defined to include any act or omission to act with respect to any security exempted from the operation of section 12 (a) (48 Stat. 892; 15 U. S. C. 78l (a)) pursuant to any section in this part which specifically provides that this section shall be applicable to such security, if such act or omission to act would have been unlawful under section 9 (a) (48 Stat. 889; 15 U. S. C. 78i (a)) or any rule or regulation heretofore or hereafter prescribed thereunder, if done or omitted to be done with respect to a security registered on a national securities exchange, and the use of any means or instrumentality of interstate commerce or of the mails or of any facility of any national securities exchange to use or employ any such device or contrivance in connection with the purchase or sale of any such security is hereby prohibited. (Sec. 10, 12; 48 Stat. 891, 892, 15 U. S. C. 78j, 78l) [Rule X-10B-1]

CROSS REFERENCES: For applicability of this section, see §§ 240.12a-1 to 240.12a-9. For regulations relating to employment of manipulative and deceptive devices, see § 240.10b-3 and 10b-5. For prohibitions with respect to securities not registered on a national securities exchange, see § 240.10b-4.

§ 240.10b-2 *Solicitation of purchases on an exchange to facilitate distribution of securities.* (a) No person, participating or otherwise financially interested in the primary or secondary distribution of any security of any issuer, shall, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

(1) Pay or offer or agree to pay, directly or indirectly, to any person any compensation for soliciting another to purchase any security of the same issuer on a national securities exchange, or for purchasing any security of the same issuer on any such exchange for any account other than the account of the person who pays or is to pay such compensation; or

(2) Sell, offer to sell or induce an offer to buy such security, or deliver such security after sale, if, in connection with such distribution, such person has paid, or has offered or agreed to pay, directly or indirectly, to any person, any compensation for soliciting another to purchase any security of the same issuer on any national securities exchange, or for purchasing any security of the same issuer on any such exchange for any account other than the account of the person who has paid or is to pay such compensation.

(b) No person, participating or otherwise financially interested in the primary or secondary distribution of any security of any issuer, shall cause a purchase or sale of any security of the same issuer on a national securities exchange by paying or offering or agreeing to pay, directly or indirectly, to any person any compensation for soliciting another to purchase such security on any such exchange, or for purchasing such security on any such exchange for any account other than the account of the person who pays or is to pay such compensation.

(c) The provisions of this section shall not apply in respect to any salary paid by a broker or dealer to any person regularly employed by him whose ordinary duties include the solicitation or execution of brokerage orders on a national securities exchange, if such salary represents only ordinary compensation for the discharge by such person of such duties in the regular course of his employment, and is not paid, in whole or in part, directly or indirectly, for the inducement by such person of the purchase or sale on a national securities exchange of any security of the issuer of the security in the primary or secondary distribution of which such broker or dealer is participating or otherwise financially interested.

(d) (1) The provisions of this section shall not apply to any transaction involving the payment of a special commission to a person acting as a broker for a purchaser by a person selling any security described in this paragraph, where such payment is made pursuant to the terms of an effective plan authorizing the payment of special commissions in connection with a distribution of securities, which plan has been filed with the Commission by a national securities exchange: *Provided,* That such person, at the time he pays, or offers or agrees to pay, any such commission does not know or have reasonable grounds to believe that transactions connected with such distribution are being carried out in violation of such plan. This exemption shall be available only in respect of securities listed and registered on a national securities exchange, or of securities admitted to unlisted trading privileges on any such exchange where the issuer (i) has any security listed and registered on any such exchange and has filed the annual and other periodic reports required pursuant to the Securities Exchange Act of 1934 (48 Stat. 88, et seq., 15 U. S. C. 78a-hh), or (ii) has any security registered under the Securities Act of 1933 (48 Stat. 74, et seq., 15 U. S. C. 77a-aa) and has filed the annual and other periodic reports required pursuant to section 15 (d) of the Securities Exchange Act of 1934 (49 Stat. 1377; 15 U. S. C. 78o), or (iii) is a holding company registered under the Public Utility Holding Company Act of 1935 (49 Stat. 803, et seq., 15 U. S. C. 79a-Z-5) and has filed the annual and other periodic reports required pursuant to such Act, or a subsidiary of any such company, or (iv) is registered under the Investment Company Act of 1940 (54 Stat. 789, et seq., 15 U. S. C. 80a-1-53) and has filed the annual and other periodic reports required pursuant to such act.

(2) For the purposes of this rule a plan filed with the Commission by a national securities exchange shall not become effective unless the Commission, having due regard for the public interest and for the protection of investors, declares the plan to be effective. The Commission in its declaration may impose such terms and conditions relating to the provisions of the plan and the period of its effectiveness as it deems necessary or appropriate in the public interest or for the protection of investors. (Sec. 10, 48 Stat. 891; 15 U. S. C. 78j) [Rule X-10B-2]

CROSS REFERENCE: For interpretative release applicable to § 240.10b-2, see § 241.1411 of this chapter.

§ 240.10b-3 *Employment of manipulative and deceptive devices.* It shall be unlawful for any broker or dealer, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, to use or employ, in connection with the purchase or sale of any security otherwise than on a national securities exchange, any act, practice, or course of business defined by the Commission to be included within the term "manipulative, deceptive, or other fraudulent device or contrivance", as such term is used in section 15 (c) (1) of the act. (Sec. 10, 48 Stat. 891, sec. 2, 52 Stat. 1075; 15 U. S. C. 78j, 78l) [Rule X-10B-3]

CROSS REFERENCES: See also § 240.10b-5. For regulation relating to prohibition of manipuative or deceptive devices, see §§ 140.10b-1. For the term "manipulative, deceptive, or other fraudulent device or contrivance" as used in section 15 (c) (1) of the act, see §§ 240.15c-2 to 240.15c1-9.

§ 240.10b-5 *Employment of manipulative and deceptive devices by any purchaser of a security.* It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange,

(a) To employ any device, scheme, or artifice to defraud.

(b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or

(c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

in connection with the purchase or sale of any security. (Sec. 10; 48 Stat. 891, 15 U. S. C. 78j) [Rule X-10B-5]

EXEMPTION OF CERTAIN SECURITIES FROM SECTION 11 (d) (1)

§ 240.11d1-1 *Exemption of certain securities from section 11 (d) (1)* A security shall be exempt from the provisions of section 11 (d) (1) with respect to any transaction by a broker and dealer who, directly or indirectly, extends or maintains or arranges for the extension or maintenance of credit on the security to or for a customer if:

(a) The broker and dealer has not sold the security to the customer or bought the security for the customer's account; or

(b) The security is acquired by the customer in exchange with the issuer thereof for an outstanding security of the same issuer on which credit was lawfully maintained for the customer at the time of the exchange; or

(c) The customer is a broker or dealer or bank; or

(d) The security is acquired by the customer through the exercise of a right evidenced by a warrant or certificate expiring within 90 days after issuance, provided such right was originally issued to the customer as a stockholder of the corporation issuing the security upon which credit is to be extended, or as a stockholder of a company distributing such security in order to effectuate the provisions of section 11 of the Public Utility Holding Company Act of 1935. The right shall be deemed to be issued to the customer as a stockholder if he actually owned the stock giving rise to the right when such right accrued, even though such stock was not registered in his name; and in determining such fact the broker and dealer may rely upon a signed statement of the customer which the broker and dealer accepts in good faith; or

(e) Such broker and dealer would otherwise be subject to the prohibition of section 11 (d) (1) with respect to 50% or less of all the securities of the same class which are outstanding or currently being distributed, and such broker and dealer sold the security to the customer or bought the security for the customer's account on a day when he was not participating in the distribution of any new issue of such security. A broker-dealer shall be deemed to be participating in a distribution of a new issue if (1) he owns, directly or indirectly, any undistributed security of such issue, or (2) he is engaged in any stabilizing activities to facilitate a distribution of such issue, or (3) he is a party to any syndicate agreement under which such stabilizing activities are being or may be undertaken, or (4) he is a party to an executory agreement to purchase or distribute such issue. (Sec. 3, 11, 48 Stat. 882, 891, 15 U. S. C. 78c; 78k) [Rule X-11D1-1]

SECURITIES EXEMPTED FROM REGISTRATION

§ 240.12a-1 *Temporary exemption from section 12 (a) of the act of certain securities of banks.* (a) The following securities of banks shall be exempt from the operation of section 12 (a) of the act to and including the one hundred and twentieth day after the filing of applications on the form appropriate for such securities shall be authorized: (1) Securities as to which temporary registration expired on June 30, 1935; (2) securities of the same issuer heretofore or hereafter issued in exchange for, or resulting from a modification of any securities exempted from the operation of section 12 (a) of the act by this section; and (3) additional shares of common stock, heretofore or hereafter issued, if common stock of the same issuer and of the same class is exempted from the operation of section 12 (a) of the act by this section.

(b) Sections 240.7c2-1 and 240.10b-1 shall be applicable to all securities exempted from the operation of section 12 (a) of the act by this section. (Secs. 3 (a) (12) 12 (a) 48 Stat. 882, 892; 15 U. S. C. 78c (a) (12) 78*l* (a)) [Rule X-12A-1]

§ 240.12a-2 *Temporary exemption from section 12 (a) of the act of certain securities secured by property which, or a leasehold interest in which, is owned by a person not the original issuer of such security; prohibition of use of manipulative or deceptive devices or contrivances with respect thereto.*

(a) Any security which is secured by property which, or a leasehold interest in which, is now owned by a person who was not the original issuer of such security, shall be exempt from the operation of section 12 (a) of the act (48 Stat. 892; 15 U. S. C. 781 (a)) to and including the respective dates indicated below, and for such longer period, if any as would have been applicable under § 240.12a-1 or § 240.12a-3, if such security had been a security of such owner or lessee:

(1) If temporary registration of such security expired on June 30, 1935, such exemption shall continue to and including November 5, 1935, unless either of the following conditions is satisfied, in which event such exemption shall continue to and including April 30, 1936:

(i) An application for the registration of such security has been filed by the original issuer or by such owner or lessee.

(ii) Such owner or lessee has filed with the exchange and with the Commission a statement conforming to the requirements of paragraph (b) of this section as the same existed prior to this amendment.

(2) If such security was listed on an exchange at the time a temporary exemption from registration was granted to such exchange, and shall have continued to be so listed until registration of such exchange became effective, such exemption shall continue to and including April 30, 1936.

If registration pursuant to section 12 (b) (c) and (d) (48 Stat. 892, 893; 15 U. S. C. 781 (b) (c) (d)) shall become effective as to any obligation evidenced by any such security, such exemption shall forthwith terminate as to such obligation.

(b) Any security exempted by paragraph (a) of this section from the operation of section 12 (a) of the act shall continue to be exempt from the operation of said section 12 (a) to the extent necessary to render lawful the effecting of transactions therein on any national securities exchange on which such security is now listed, until this section shall be revoked, or modified, if on or before the twentieth day preceding the expiration of the exemption provided by said paragraph (a) the owner or lessee of the property securing the same shall file with such exchange, and with the Commission, a statement with respect to such security or, if such owner or lessee is personally liable upon such security, an application for the registration of such security, conforming to the following requirements. Such statement or application, as the case may be, shall be made upon the form appropriate for registration of securities of such owner or lessee, shall set forth the information required by such form, and shall contain the following additional statement with respect to such security:

(1) That temporary registration of such security expired on June 30, 1935;

(2) That such security is secured by property which is owned or leased by such owner or lessee and, if leased, a brief outline of the principal provisions of such lease, together with a copy of such lease as an exhibit;

(3) That the original issuer has either been dissolved or has no assets (other than nominal assets) except its interest, if any, in such property, and that such security has as its only means of service payments made by such owner or lessee; and

(4) Whether or not such owner or lessee is personally liable upon such securities.

If any such statement or application does not contain the additional statement and exhibit required in subparagraphs (1)-(4) of this paragraph, such additional statement and exhibit may be supplied in an amendment, pursuant to § 240.12b-3, filed on or before such twentieth day. Any such security may be included in any application made by such owner or lessee for the registration of its own securities, provided that it is clearly indicated that the required additional statement is made for the purposes of this section.

If registration pursuant to section 12 (b) (c) and (d) of the act shall become effective as to any obligation evidenced by any such security, such exemption shall forthwith terminate as to such obligation.

(c) Sections 240.7c2-1, 240.10b-1 shall be applicable to all securities exempted from the operation of section 12 (a) of the act by paragraph (a) or (b) of this section. (Secs. 3 (a) (12), 12 (a), 48 Stat. 882, 892; 15 U. S. C. 78c (a) (12), 78*l* (a)) [Rule X-12A-2]

CROSS REFERENCE: For applicability of this section and §§ 240.12a-1, 240.12a-3 to securities listed on exempted exchange which subsequently becomes registered, see § 240.6b-3.

§ 240.12a-3 *Temporary exemption from section 12 (a) of the act of certain securities of issuers in bankruptcy or receivership or in process of reorganization, prohibition of use of manipulative or deceptive devices or contrivances with respect thereto.* (a) The following securities shall be exempt from the operation of section 12 (a) of the act for the period specified in paragraph (b) of this

section; securities as to which temporary registration expired on June 30, 1935, and which are securities of issuers which are, or at any time since June 30, 1935 were, in bankruptcy or receivership or in the process of reorganization pursuant to section 77 or 77B of the Bankruptcy Act (47 Stat. 1474, 48 Stat. 912; 11 U. S. C. 205, 207) (other than securities for which the filing of applications on Form 12-A is authorized)

(b) As to any security exempted from the operation of section 12 (a) of the act by paragraph (a) of this section such exemption shall continue so long as:

(1) A trustee or receiver appointed in bankruptcy or receivership proceedings or proceedings for reorganization pursuant to said section 77 or 77B has title to or possession of a substantial portion of the assets of the issuer of such security or

(2) Such issuer is in possession of a substantial portion of its assets pursuant to an order entered under subdivision (c) clause (2) of said section 77 or subdivision (c) clause (1) of said section 77B, and thereafter until the close of business on the tenth day following the dispatch, to the exchange on which such security is listed and to such issuer, of notice of the entry of an order (to be entered after appropriate notice and opportunity for hearing to the exchange and to such issuer) finding that neither of the conditions specified in subparagraphs (1) and (2) of this paragraph exists: *Provided, however* That such exemption shall terminate in any event when registration pursuant to section 12 (b) (c) and (d) of the act becomes effective as to such security. The exchange on which any such security is listed shall advise the Commission promptly after acquiring knowledge of the fact that neither of such conditions any longer exists.

(c) Sections 240.7c2-1, 240.10b-1 shall be applicable to all securities exempted from the operation of section 12 (a) of the act by paragraph (a) of this section. (Secs. 3 (a) (12) 12 (a) 48 Stat. 882, 892; 15 U. S. C. 78c (a) (12) 78*l* (a)) [Rule X-12A-3]

CROSS REFERENCE: For applicability of this section and §§ 240.12a-1, 240.12a-2 to securities listed on exempted exchange which subsequently becomes registered, see § 240.6b-3.

§ 240.12a-4 *Exemption of certain warrants from section 12 (a) of the act.* (a) When used in this § 240.12a-4 or in the forms prescribed pursuant thereto, unless the context otherwise requires:

(1) The term "warrant" means any warrant or certificate evidencing a right to subscribe to or otherwise acquire another security, issued or unissued.

(2) The term "beneficiary security" means a security to the holders of which a warrant or right to subscribe to or otherwise acquire another security is granted.

(3) The term "subject security" means a security which is the subject of a warrant or right to subscribe to or otherwise acquire such security.

(4) The term "in the process of admission to dealing", in respect of a specified security means that (i) an application has been filed pursuant to section 12 (b) and (c) (48 Stat. 892, 893; 15 U. S. C. 78l (b), (c)) for the registration of such security on a national securities exchange; or (ii) the Commission has granted an application made pursuant to section 12 (f) (48 Stat. 849, 49 Stat. 1375; 15 U. S. C. 78*l* (f)), to continue or extend unlisted trading privileges to such security on a national securities exchange; or (iii) written notice has been filed with the Commission by a national securities exchange to the effect that such security has been approved for admission to dealing as a security exempted from the operation of section 12 (a) of the act.

(b) An issued warrant granted to the holders of a security which is admitted to dealing on a national securities exchange shall be exempt from the operation of section 12 (a) (48 Stat. 892; 15 U. S. C. 78*l* (a)) to the extent necessary to render lawful the affecting of transactions therein on any national securities exchange upon which the beneficiary security is admitted to dealing or upon which the subject security is admitted to dealing or is in the process of admission to dealing, *Provided,* That:

(1) Such warrant expires by its terms within 90 days after the issuance thereof.

(2) At least 6 days prior to the commencement of dealing in such warrant as an exempted security on any such exchange, a statement on Form 15-AN has been filed (i) with the Commission and with such exchange by the issuer of such warrant or (ii) with the Commission by such exchange; except that such statement need be filed only 2 business days prior to such commencement of dealing if, at the time of such commencement of dealing, another statement on Form 15-AN complying with the requirements of this section in respect of exemption of such warrant on another exchange, has been on file at least 6 days.

(3) A certification has been filed with the Commission by such exchange to the effect that such warrant has been approved for admission to dealing as an exempted security.

(4) Either (i) each subject security is admitted to dealing or is in the process of admission to dealing on a national securities exchange; or (ii) there is available from a registration statement and periodic reports or other data filed by the issuer of each subject security, pursuant to any act or rule administered by the Commission, information substantially equivalent to that available pursuant to rules or regulations of the Commission in respect of a security duly listed and registered on a national securities exchange, and the rules of the certifying exchange provide that in the publication of quotations or transactions in such warrants (by ticker or otherwise) a symbol or other means be used to indicate that the subject security is neither admitted nor in the process of admission to dealing on a national securities exchange, and such rules provide further that confirmations to purchasers of such warrants contain a statement to that effect.

(5) Prior to the commencement of dealing in such warrant on any such exchange, the Commission has not notified the exchange that in the opinion of the Commission registration of such warrant or any security which is the subject of such warrant is required under the Securities Act of 1933 (48 Stat. 74; 15 U. S. C. Chapter 2A), as amended, and is not in effect.

(c) Promptly after the discovery of any inaccuracy, omission or other deficiency in a statement filed pursuant to this section, or after the occurrence of any event which renders no longer accurate any portion of such statement, an amendment on Form 8 correcting such inaccuracy, omission, or other deficiency or setting forth the occurrence of such event shall be filed by the issuer or exchange which filed such statement.

(d) The Commission may by order revoke the exemption of a warrant exempted under this section, if, after appropriate notice and opportunity for hearing to the issuer of such warrant and to the exchange or exchanges on which such warrant is admitted to dealing as an exempted security, it finds that:

(1) Any cause has existed at any time during the period of such exemption which would have prevented such exemption from being effective including the failure to file any amendment required by paragraph (c) of this section; or

(2) At any time during the period of such exemption, transactions have been effected on any such exchange in such warrant which (i) create or induce a false, misleading or artificial appearance of activity, (ii) unduly or improperly influence the market price, or (iii) make a price which does not reflect the true state of the market; or

(3) Any other facts exist which make such revocation necessary or appropriate in the public interest or for the protection of investors.

(e) If it appears necessary or appropriate in the public interest or for the protection of investors, the Commission may summarily suspend the exemption of such warrant pending the determination by the Commission whether such exemption shall be revoked.

(f) Section 240.10b-1 shall be applicable to any warrant exempted from the operation of section 12 (a) of the act by paragraph (b) of this section. (Secs. 3 (a) (12) 12 (a), 48 Stat. 882, 892; 15 U. S. C. 78c (a) (12), 78*l* (a)) [Rule X-12A-4]

§ 240.12a-5 *Temporary exemption from section 12 (a) of the act of substituted or additional securities.* (a) Whenever by operation of law or otherwise any instrument evidencing a security listed or admitted to unlisted trading privileges on a national securities exchange (hereinafter called the "original" security) has come to evidence another security in substitution for or in addition to the original security, the substituted or additional security shall be exempt from the operation of section 12 (a) of the act to the extent necessary to render lawful the effecting of transactions therein on that exchange. The exemption provided by this rule shall also be available to the entire class of which the exempt security is a part if:

(1) The original security has come to evidence substantially all of the class outstanding;

(2) The original security has come to evidence 10 percent or more of the class

outstanding and securities of the class are listed and registered on a national securities exchange; or

(3) The original security has come to evidence 10 percent or more of the class outstanding and securities comprising the entire class are lawfully admitted to dealing on another national securities exchange.

(b) The exemption provided by this section shall terminate on the earliest of the following dates:

(1) When registration of the exempt security on the exchange becomes effective;

(2) When the exempt security is granted unlisted trading privileges on the exchange;

(3) The close of business on the tenth day after (i) withdrawal of an application for registration of the exempt security on the exchange; (ii) withdrawal by the exchange of its certification of approval of the exempt security for listing and registration; (iii) withdrawal of an application for admission of the exempt security to unlisted trading privileges on the exchange; or (iv) the sending to the exchange of notice of the entry of an order by the Commission denying any application for admission of the exempt security to unlisted trading privileges on the exchange;

(4) The close of business on the sixtieth day after the date on which the exempt security was admitted by action of the exchange to trading thereon as a security exempted from the operation of section 12 (a) of the act by this section, unless prior thereto an application for registration of the exempt security or for admission of the exempt security to unlisted trading privileges on the exchange has been filed.

(c) Notwithstanding paragraph (b) of this section, the Commission, having due regard for the public interest and the protection of investors, may at any time extend the period of exemption of any security by this rule or may sooner terminate the exemption upon notice to the exchange and to the issuer of the extension or termination thereof.

(d) The exchange shall notify the Commission in writing of any event within the purview of paragraph (a) of this section promptly after acquiring knowledge thereof. The notification shall briefly describe the event and shall state the date on which the substituted or additional security was or is proposed to be admitted to trading on the exchange as a security exempted from the operation of section 12 (a) of the act by this section.

(e) Sections 240.7c2-1 and 240.10b-1 shall be applicable to all securities exempted from the operation of section 12 (a) of the act by this section. (Secs. 3 (a) (12) 12 (a) 48 Stat. 882, 892; 15 U. S. C. 78c (a) (12) 78*l* (a)) [Rule X-12A-5]

§ 240.12a-6 *Temporary exemption from section 12 (a) of the act of certain securities evidenced by the same instrument as a listed security; prohibition of use of manipulative or deceptive devices or contrivances with respect thereto.* (a) Any other security evidenced by the same instrument as a listed security at the time the latter became or becomes a listed security, except any security created in the same transaction as such listed security shall be exempt from the operation of section 12 (a) of the act to the extent necessary to render lawful the effecting of transactions therein on the exchange on which such listed security was listed, until registration pursuant to sections 12 (b) (c) and (d) of the act shall become effective as to such other security, or until the date specified below, whichever shall first occur. For the purposes of this section, the word "listed" means listed on a national securities exchange as a security registered pursuant to sections 12 (b) (c) and (d) of the act, or as a security exempted from the operation of section 12 (a) of the act.

(b) The exchange upon which each such listed security was listed shall advise the Commission of any information with respect to the existence of any such other security, promptly after acquiring knowledge thereof.

(c) Such exemption shall terminate as to any such other security at the close of business on the tenth day following the dispatch, to such exchange and to the issuer of such listed security, of notice of the entry of an order (to be entered after appropriate notice and opportunity for hearing to the exchange and to such issuer) finding that such other security exists; *Provided, however* That such termination of the exemption afforded by this section in such manner shall not affect any exemption accorded by any other section.

(d) Sections 240.7c2-1, 240.10b-1 shall be applicable to all securities exempted from the operation of section 12 (a) of the act by paragraph (a) (Secs. 3 (a) (12) 12 (a) 48 Stat. 882, 892; 15 U. S. C. 78c (a) (12) 78*l* (a)) [Rule X-12A-6]

§ 240.12a-7 *Temporary exemption from section 12 (a) of the act of certain evidences of indebtedness of certain foreign states; prohibition of use of manipulative or deceptive devices or contrivances with respect thereto.* (a) Evidences of indebtedness (1) which have been issued by any foreign state is presently governed by an interim government which is holding office temporarily and which is to continue to hold such office only until the assumption thereof by a regular government which has been elected and (2) as to which temporary exemption from the operation of section 12 (a) (48 Stat. 892, 49 Stat. 1375; 15 U. S. C. 78*l*) shall expire pursuant to the terms of Rule AN7 [1] on May 15, 1936, and as to which registration shall not be effective on that date, shall be exempt from the operation of said section 12 (a) to and including the eight hundred and sixty-third day following the assumption of office by such elected regular government.

(b) Sections 240.7c2-1, 240.10b-1 shall be applicable to all securities exempted from the operation of section 12 (a) of the act by paragraph (a) of this section. (Secs. 3 (a) (12) 12 (a) 48 Stat. 882, 892; 15 U. S. C. 78c (a) (12) 78*l* (a)) [Rule X-12A-7]

[1] Rule AN7 has been repealed.

§ 240.12a-8 *Temporary exemptions from section 12 (a) of the act of securities of certain issuers resulting from statutory consolidation, prohibition of use of manipulative or deceptive devices or contrivances with respect thereto.* (a) Whenever, in connection with a consolidation resulting in the formation of a new corporation, at least a part of any class of securities of such new corporation result from a modification of, or are issued in exchange for or otherwise in respect of, a listed security of one of the constituent corporations, such class of securities of the new corporation shall be exempt from the operation of section 12 (a) of the act for a period of 1 week from the date of consolidation, to the extent necessary to render lawful the effecting of transactions therein on the exchange on which such listed security of the constituent corporation was listed. For the purposes of this section, the word "consolidation" means a consolidation, by agreement, of two or more corporations under provisions of law whereby, upon the execution or upon the filing of such agreement, a new corporation is created as successor to all the constituent corporations; it does not include mergers, acquisitions of assets, or other transactions of succession in which the issuer of the new securities is in existence prior to the succession. The term "date of consolidation" means the date on which the new corporation resulting from the consolidation is created. The word "listed" means either (1) listed on a national securities exchange as a security registered pursuant to sections 12 (b) (c) and (d) of the act, or (2) listed on a national securities exchange as a security exempted from the operation of section 12 (a) of the act, or (3) admitted to unlisted trading privileges on a national securities exchange pursuant to section 12 (f) of the act.

(b) Sections 240.7c2-1, 240.10b-1 shall be applicable to all securities exempted from the operation of section 12 (a) of the act by paragraph (a) of this section. (Secs. 3 (a) (12) 12 (a), 48 Stat. 882, 892; 15 U. S. C. 78c (a) (12), 78*l* (a)) [Rule X-12A-8]

§ 240.12a-9 *Exemption from section 12 (a) of the act of certain certificates of deposit issued under deposit agreements having governmental managers; prohibition of use of manipulative or deceptive devices or contrivances with respect thereto.* (a) Certificates of deposit shall be exempt from the operation of section 12 (a) (48 Stat. 892; 15 U. S. C. 78*l* (a)), if:

(1) A State or any political subdivision thereof or any agency or instrumentality of a State or any municipal corporate instrumentality of one or more States, acting through one or more of its duly authorized officers or otherwise, is the person primarily performing the acts and assuming the duties of manager pursuant to the provisions of the deposit agreement under which such certificates of deposit are issued; and

(2) Deposit under such agreement constitutes assent to a plan which provides for the issuance of securities of, or the payment of cash by, such State,

political subdivision, agency, or instrumentality in return for the securities deposited under such agreement; and

(3) Each depositary designated to act under such agreement has been so designated by such State, political subdivision, agency or instrumentality; and

(4) Each depositary designated to act under such deposit agreement is a corporation or association which is organized and doing business under the laws of the United States or of a State, is authorized under such laws to exercise fiduciary powers, and is subject to supervision or examination by Federal or State authority.

(b) Sections 240.7c2-1 and 240.10b-1 shall be applicable to all securities exempted from the operation of section 12 (a) of the act by paragraph (a) of this section. (Secs. 3 (a) (12) 12 (a) 48 Stat. 882, 892; 15 U. S. C. 78c (a) (12), 78l (a)) [Rule X-12A-9]

REGISTRATION OF SECURITIES

§ 240.12b-1 *Forms for permanent registration of securities.* An application for permanent registration of a security on an exchange, pursuant to section 12 (b) or (c) (48 Stat. 892, 893; 15 U. S. C. 78l (b) (c)), shall be filed on the appropriate form prescribed below:

(a) *Form 8-A for additional securities.* This form shall be used for applications for registration of securities on an exchange on which other securities of the registrant, whether of the same or a different class, are registered pursuant to section 12 (b) and (c) of the act if Form 10, 11, 13, 15, 17, 22 or 23 would be the form appropriate for registration in case the registrant did not have securities so previously registered: *Provided,* That if Form 22 or 23 would be appropriate for original registration, this form shall be used only if securities of the registrant issued pursuant to the plan of reorganization or succession by reason of which Form 22 or 23 would be appropriate for original registration have been registered on such exchange pursuant to an application on such form.

(b) *Form 8-B for securities issued in certain cases upon registrant's succession to an issuer or issuers of previously registered securities.* This form shall be used by an issuer, not having securities previously registered, for applications filed on and after March 12, 1936, for the registration of securities, if the conditions set forth in the following subparagraphs (1) (2) (3) and (4) exist:

(1) (i) The registrant, having no assets at the time other than nominal assets, succeeded to a single predecessor which had securities registered pursuant to section 12 (b) and (c) of the act on the exchange or exchanges on which registration is applied for on this form; or

(ii) The registrant was organized as the successor to, or, having no assets at the time other than nominal assets, succeeded to, a group of predecessors consisting of a parent which had securities so registered and one or more wholly-owned subsidiaries of such parent; or

(iii) The registrant was a wholly-owned subsidiary of a corporation having securities so registered, which corporation, either alone or with one or more of its other wholly-owned subsidiaries, was merged into the registrant.

(2) Substantially all of the securities to be registered on this form were or are to be issued in exchange for or otherwise in respect of previously registered securities of one or more of the predecessors, or are securities which, having been previously registered, have become or are to become securities of the registrant by operation of law or otherwise upon the succession.

(3) The registrant acquired all the assets and assumed all the liabilities of its predecessor or predecessors.

(4) Except for such changes as may have resulted (i) from the substitution of issuers incident to the succession, or (ii) from changes in capital stock liability per share, or (iii) from the issuance of securities in satisfaction of dividends or interest in arrears on securities of predecessors, the capital structure of the registrant immediately following the succession was substantially the same as the capital structure of the single predecessor or the combined capital structure of the predecessors, or in a case falling within subparagraph (1) (iii) of this paragraph, the combined capital structure of all the constituent corporations.

The term "wholly-owned subsidiary" as used in this section refers to a subsidiary substantially all the outstanding stock of which is held, directly or indirectly, by a single parent.

(c) *Form 8-C for registration on an additional exchange.* This form may be used for applications for registration of securities on an exchange upon which no securities of the registrant are listed and registered, if securities of the registrant are registered pursuant to section 12 (b), (c) and (d) on another exchange.

(d) *Form 10 for corporations.* This form shall be used for applications for the permanent registration of securities of corporations, filed on and after February 13, 1935, except the following: Securities of companies making annual reports under section 20 of the Interstate Commerce Act (24 Stat. 386; 49 U. S. C. 20) as amended, or section 220 of the Motor Carrier Act, 1935 (Sec. 220, 49 Stat. 563, 54 Stat. 926; 49 U. S. C. 320) or under section 219 of the Communications Act of 1934 (48 Stat. 1077; 47 U. S. C. 219), certificates of deposit; American certificates against foreign issues, either government or corporate; securities of insurance companies, other than companies engaged primarily in the title insurance business; securities of banks and bank holding companies; securities of investment trusts; securities issued by any corporation organized under the laws of any foreign country other than a North American country or Cuba; bonds issued by any corporation organized under the laws of a North American country or Cuba, which are guaranteed by any foreign government; securities issued by any corporation, foreign or domestic, which is directly or indirectly owned or controlled by any foreign government: *Provided, however,* That this form shall not be used for applications for the permanent registration of securities of any corporation for which, at the time the application is filed, Form 22 or 23 is prescribed: *And provided further,* That this form shall not be used for applications for the permanent registration of securities of any corporation, if, at the time the application is filed, such corporation is in bankruptcy or receivership or in the process of reorganization pursuant to section 77 or 77B of the Bankruptcy Act (47 Stat. 1474, 48 Stat. 912; 11 U. S. C. 205, 207) and (1) a trustee or receiver appointed in such proceedings has title to or possession of a substantial portion of the assets of such corporation, or (2) such corporation is in possession of a substantial portion of its assets pursuant to an order entered under subdivision (c) clause (2) of said section 77 or subdivision (c) clause (1) of said section 77B. Any foreign issuer which by this paragraph is to file on Form 10 as to any class of securities other than bonds may also file on such form or such bonds; and any issuer of bonds which is organized under the laws of any foreign country may at its option file on Form 10 until 90 days after the proper form applicable to such foreign issuer shall have been published.

(e) *Form 11 for unincorporated issuers.* This form shall be used for applications filed on or after March 30, 1935, for the permanent registration of securities of unincorporated issuers, except the following: securities of companies making annual reports under section 20 of the Interstate Commerce Act, as amended, or section 220 of the Motor Carrier Act, 1935, or under section 219 of the Communications Act of 1934; certificates of deposit; voting trusts certificates; American certificates against foreign issues, either government or private; securities of insurance companies; securities of banks and bank holding companies; securities of investment trusts; securities issued by a national of a foreign country other than a North American country or Cuba; bonds issued by a national of a North American country or Cuba, which are guaranteed by any foreign government; securities of any issuer, foreign or domestic, which is directly or indirectly owned or controlled by any foreign government: *Provided, however,* That this form shall not be used for applications for the permanent registration of securities of any issuer for which, at the time the application is filed, Form 22 or 23 is prescribed: *And provided further,* That this form shall not be used for applications for the permanent registration of securities of any issuer, if, at the time the application is filed, such issuer is in bankruptcy or receivership or in the process of reorganization pursuant to section 77 or 77B of the Bankruptcy Act, and (1) a trustee or receiver appointed in such proceedings has title to or possession of a substantial portion of the assets of such issuer, as (2) such corporation is in possession of a substantial portion of its assets pursuant to an order entered under subdivision (c) clause (2) of said section 77 or subdivision (c), clause (1) of said section 77B.

(f) *Form 12.* This form shall be used for applications filed on or after April 10, 1935, for the permanent registration of securities of companies making annual reports under section 20 of the Interstate

Commerce Act, as amended, or section 220 of the Motor Carrier Act, 1935, or under section 219 of the Communications Act of 1934, except such companies in receivership or in process of reorganization pursuant to section 77 of the Bankruptcy Act.

(g) *Form 12-A, for companies in receivership or bankruptcy making annual reports under section 20 of the Interstate Commerce Act, as amended, or section 220 of the Motor Carrier Act, 1935, or under section 219 of the Communications Act of 1934.* This form shall be used for applications filed on or after June 17, 1935, for the permanent registration of securities of companies making annual reports under section 20 of the Interstate Commerce Act, as amended, or section 220 of the Motor Carrier Act, 1935, or under section 219 of the Communications Act of 1934, and in receivership or in bankruptcy (including proceedings under section 77 or 77B of the Bankruptcy Act.)

(h) *Form 13 for insurance companies other than life and title insurance companies.* This form shall be used for applications filed on or after May 7, 1935, for permanent registration of securities of corporations engaged, directly or through subsidiaries, primarily in the insurance business, except corporations engaged primarily in the life or title insurance business. This form shall not be used by corporations engaged primarily in the business of guaranteeing mortgages or mortgage participation certificates.

Pending the authorization of a form for registration of securities of corporations engaged primarily in the life insurance business, and for a period of 30 days after the filing of applications on such form is authorized, such corporations may file application on Form 13 for Insurance Companies other than Life and Title Insurance Companies.

Insofar as Form 13 may be inappropriate to the life insurance business, a corporation engaged in the life insurance business filing on Form 13, pursuant to this section, shall furnish information comparable to that required by Form 13; and, in lieu of financial statements required under the Instructions as to Financial Statements in the Instruction Book for Form 13, such corporation may file a copy of its last annual statement filed with its state regulatory authority.

(i) *Form 14 for certificates of deposit issued by a committee.* This form shall be used for applications on or after May 10, 1935, for the permanent registration of certificates of deposit issued by a committee.

(j) *Form 15 for incorporated investment companies.* This form shall be used for applications filed on or after May 15, 1935, for the permanent registration of securities of any corporation which is engaged, either directly or through subsidiaries, primarily in the business of investing and reinvesting, or trading in securities, for the purpose of revenue and for profit, and not in general for the purpose, or with the effect, of exercising control; except securities of such corporations in process of reorganization pursuant to section 77B of the Bankruptcy Act or securities of such corporations in bankruptcy or receivership.

(k) *Form 16 for voting trust certificates and underlying securities.* This form shall be used for applications filed on or after May 18, 1935, for the permanent registration of voting trust certificates and underlying securities.

(l) *Form 17 for unincorporated issuers engaged primarily in the business of investing or trading in securities.* This form shall be used for applications filed on or after May 31, 1935, for the permanent registration of securities of any unincorporated issuer which is engaged, either directly or through subsidiaries, primarily in the business of investing and reinvesting, or trading, in securities, for the purpose of revenue and for profit, and not in general for the purpose, or with the effect, of exercising control; except securities of such issuers in process of reorganization pursuant to section 77B of the Bankruptcy Act or securities of such issuers in bankruptcy or receivership.

(m) *Form 18 for foreign governments and political subdivisons thereof.* This form shall be used for applications filed on or after July 1, 1935, for the permanent registration of securities of any foreign government or political subdivision thereof: *Provided, however* That any public corporation or other autonomous entity in the nature of a political subdivision, except a State, province, county or municipality or similar body politic, may, at its option, use Form 21 in lieu of this form.

(n) *Form 19 for American certificates against foreign issues and underlying securities.* This form shall be used for applications filed on or after July 15, 1935, for the permanent registration of American certificates (for example, so-called American Depositary Receipts for foreign shares or American participation certificates in foreign bonds or notes) issued against securities of foreign issuers deposited with an American depositary (whether physically held by such depositary in America or abroad) and of the foreign securities so deposited.

(o) *Form 20 for securities other than bonds of foreign private issuers.* This form shall be used for applications filed on or after July 15, 1935, for the permanent registration of securities other than bonds or other evidences of indebtedness (1) issued by a national of a foreign country other than a North American country or Cuba, or (2) issued by any corporation or unincorporated association, foreign or domestic, which is directly or indirectly owned or controlled by any foreign government.

(p) *Form 21 for bonds of foreign private issuers.* This form shall be used for applications filed on or after July 15, 1935, for the permanent registration of bonds or other evidences of indebtedness (1) issued by a national of a foreign country other than a North American country or Cuba, (2) issued by a national of a North American country or Cuba which are guaranteed by any foreign government, (3) issued by any corporation or unincorporated association, foreign or domestic, which is directly or indirectly owned or controlled by any foreign government, or (4) issued by any public corporation or other autonomous entity in the nature of a political subdivision which shall at its option elect to use this form in lieu of Form 18, except that this form is not to be used by a State, province, county or municipality or similar body politic.

(q) *Form 22 for issuers reorganized in insolvency proceedings or which have succeeded to a person in insolvency proceedings.* This form shall be used for applications for registration of securities of any issuer which, pursuant to a plan:

(1) Has been or is being reorganized in insolvency proceedings; or

(2) Has acquired or is to acquire, directly or indirectly, substantially all of its business and assets (other than cash) from a person in insolvency proceedings or from such person and one or more of its subsidiaries, and is continuing or is to continue the business so acquired; or

(3) Being a subsidiary of a person in insolvency proceedings, has acquired or is to acquire directly or indirectly substantially all of its assets (other than cash and other than assets owned by it prior to such acquisition) from such person or from such person and one or more of its subsidiaries, if the securities are, or are to be, outstanding or issued pursuant to the plan, or were or are to be issued after the consummation of the plan; provided that this form shall not be used by issuers for which Form 8-A, 12 or 12-A is prescribed, or for applications filed with the exchange after the expiration of a full fiscal year of the issuer commencing on or after the date on which the transfer or opening of accounts was made.

(r) *Form 23 for successor issuers.* This form shall be used for applications for registration of securities of any issuer which has acquired, or is presently to acquire, directly or indirectly (through the acquisition of securities or otherwise) the major portion of its business and assets (other than cash) by acquiring all or a part of the business and assets of one or more other persons, and is continuing or is to continue, the business so acquired: *Provided, however* That this form shall not be used by issuers for which either Form 8-A, 8-B, 12, 12-A, 20, 21 or 22 is prescribed, or for applications filed with the exchange after the expiration of a full fiscal year of the issuer commencing on or after the date of succession.

(s) *Form 24 for bank holding companies.* This form shall be used for applications for the registration of securities of any person which is engaged, either directly or through subsidiaries, primarily in the business of owning securities of banks, for the purpose or with the effect of exercising control.

In the case of any security for which Form 10 for corporations is authorized, a provisional application may be made on Form 7 pursuant to § 240.12b-2 until May 15, 1935. Where the form for permanent registration of any other particular class of security has not yet been authorized under this section, and for a period of 90 days after the filing of applications on such form is authorized, a

provisional application for registration of a security of such class may be filed on Form 7 pursuant to § 240.12b-2. (Sec. 12, 48 Stat. 892; 15 U. S. C. 78l) [Rule X-12B-1]

CROSS REFERENCES: For annual reports for each issuer of a security registered on a national securities exchange, see §§ 240.13a-1 to 240.13a-6. For current reports by the issuer of a security registered on a national securities exchange, see § 240.13a-7.

§ 240.12b-2 *Provisional applications for registration.* (a) A provisional application for registration of a security on an exchange may be filed on Form 7, where such provisional application is permitted by § 240.12b-1. The application, including a registration statement conforming with the requirements of § 240.0-2, shall be filed with the exchange and in triplicate with the Commission. At least one application filed with the Commission and one filed with the exchange shall be signed. The issuer shall submit to the exchange such further applications, information, or documents as the exchange may require. Unless otherwise specifically provided in this part any number of different securities of the same issuer may be included in the same application. The registration statement included in the application shall contain information as to the issuer with respect to the following as of a stated date within 20 days prior to the filing of the application, but no prescribed arrangement for such statement need be followed:

(1) Name of issuer.

(2) Principal business office of issuer.

(3) Form of organization (Corporation, trust, etc.)

(4) Names, and addresses of, and positions in issuer's organization held by, officers and directors or persons performing similar functions.

(5) Nature of business engaged in or to be engaged in.

(6) Titles and amounts of securities of issuer which are (i) outstanding (not in treasury) and (ii) in treasury.

(7) Titles and amounts of securities of issuer, for which registration is sought, which are (i) outstanding (not in treasury) and (ii) in treasury.

(8) Titles and amounts of those securities of issuer, for which registration is sought, which are proposed to be issued.

(b) The registration statement shall also contain the following exhibits, and the issuer may file as part of the statement such other exhibits as it may desire.

(1) *Exhibit A.* A copy of the articles of incorporation with all amendments thereto, if the issuer be a corporation, together with its existing by-laws or instruments corresponding thereto, whatever the name; a copy of all instruments by which a trust is created, declared, or is continuing, if the issuer be a trust; a copy of the articles of partnership or association and all other papers pertaining to its organization (including trust agreements) if the issuer be a partnership, unincorporated association, joint-stock company, or other form of organization.

(2) *Exhibit B.* A copy (specimen, if available) of each security for which registration is sought.

(3) *Exhibit C.* Copies of all indentures or agreements, if any, under which any securities of the issuer referred to in Exhibit B have been or are to be issued, and all amendments or supplements thereto.

(4) *Exhibit D.* Copies of all agreements, if any (or if identical agreements are used, the forms thereof), made by the issuer with the underwriters (as defined by section 2 (11) of the Securities Act of 1933, 48 Stat. 75; 15 U. S. C. 77b (11)) of the securities for which registration is sought and which are proposed to be issued or sold by the issuer after the effective date of the registration statement.

(5) *Exhibit E.* A balance sheet (and/or consolidated balance sheet) as of the close of, and an income statement (and/or consolidated income statement) covering, the last fiscal year, or if the filing of such financial statements is not yet practicable, then corresponding statements for the fiscal year preceding the last fiscal year. At the option of the applicant for registration, the financial statements filed shall be either (i) those statements (including consolidated and/or unconsolidated statements) which have previously been made available to security holders or the exchange (in which case they need not be accompanied by the certificate of an accountant) or (ii) statements (including consolidated and/or unconsolidated statements) which are certified by an independent certified or public accountant as conforming to accepted accounting principles.

If at the time of filing the registration statement the issuer's first fiscal year has not yet ended or has ended so recently that the submission of a balance sheet and income statement therefor is not yet practicable, a balance sheet as of a date not more than 90 days prior to the date of filing the registration statement and an income statement covering the period up to the date of such balance sheet shall be filled. The form and certification of such balance sheet and income statement shall be as required by subparagraph (5) (ii) of this paragraph. The Commission shall be the sole judge as to whether the filing of a balance sheet or income statement for a given period is practicable within the meaning of this section.

(c) Such application shall contain an agreement in the following form:

The undersigned issuer hereby agrees that registration pursuant to this application shall expire on the 90th day (or at the end of such longer period as the Commission may by order prescribe) after the publication of the Commission's prescribed forms for registration unless prior to such 90th day (or to the end of such longer period) all the information required by such prescribed forms shall have been filed with the Commission as required in the case of registration pursuant to such forms and to such rules and regulations as may be prescribed in connection therewith.

Registration shall expire pursuant to such agreement. (Sec. 12, 48 Stat. 892; 15 U. S. C. 78l) [Rule X-12B-2]

§ 240.12b-3 *Amendments to applications for registration.* Every amendment to an application for registration pursuant to § 240.12b-1 or § 240.12b-2 shall be filed with the exchange and the Commission on Form 8 and shall conform to the requirements governing the original application with respect to the number of copies filed, the size of paper, and similar matters. Amendments may be filed before or after registration becomes effective. (Sec. 12, 48 Stat. 892; 15 U. S. C. 78l) [Rule X-12B-3]

§ 240.12b-4 *Incorporation by reference.* (a) An issuer may incorporate by reference as an exhibit in any application or report filed with the Commission any document or part thereof previously or concurrently filed with the Commission pursuant to any act administered by the Commission, and it may incorporate by reference as an exhibit in any application, or report filed with an exchange any document or part thereof previously or concurrently filed with such exchange. The incorporation may be made whether the matter incorporated was filed by the issuer or any other person. If any modification has occurred in the text of any such document since the filing thereof, the issuer shall file with the reference a statement containing the text of any such modification and the date thereof. If the number of copies of any document previously or concurrently filed with the Commission or with the exchange is less than the number required to be filed with the application or report which incorporates such document, the issuer shall file therewith as many additional copies of the document as may be necessary to meet the requirements of the application or report.

(b) An issuer may incorporate by reference in any application or report filed with the Commission any financial statement or part thereof previously or concurrently filed with the Commission pursuant to any act administered by the Commission, if it substantially conforms to the requirements of the form on which such application or report is filed. An issuer may incorporate by reference in any application or report filed with an exchange any financial statement or part thereof previously or concurrently filed with such exchange pursuant to the Securities Exchange Act of 1934 (48 Stat. 881, 15 U. S. C. Chapter 2B) if it substantially conforms to the requirements of the form on which such application or report is filed. The incorporation may be made whether the matter incorporated was filed by the issuer or any other person. If a certificate of an independent public or independent certified public accountant or accountants is required to accompany a financial statement in any application or report, the incorporation by reference of a certificate previously or concurrently filed will not be deemed a compliance with such requirement unless the written consent of the accountant or accountants to such incorporation is filed with the application or report.

(c) In case securities of an issuer are registered as listed securities on a national securities exchange otherwise than on Form 2, 3,[5] or 7, such issuer may, in its application for the registration on the same exchange of additional secu-

[5] Forms 2 and 3 are now obsolete.

rities (whether of the same or a different class), incorporate by reference, in whole but not in part, any item contained in any application pursuant to which such prior registration is effective.

(d) In each case of incorporation by reference, the matter incorporated shall be clearly identified in the reference. An express statement shall be made to the effect that the specified matter is incorporated in the application or report at the particular place where the information is required.

(e) Notwithstanding any particular provision permitting incorporation by reference, no application or report shall incorporate by reference any exhibit or financial statement which (1) has been withdrawn, or (2) was filed in connection with the registration on a national securities exchange of, or any report with respect to, securities the registration of which has ceased to be effective, or (3) is contained in a registration statement subject, at the time of filing the application or report, to pending proceedings under section 8 (b) or 8 (d) of the Securities Act of 1933 (48 Stat. 79; 15 U. S. C. 77 h (b) (d)) or to an order entered under either of those sections.

(f) Notwithstanding any particular provision permitting incorporation by reference, the Commission or exchange may refuse to permit such incorporation in any case in which in its judgment such incorporation would render the application or report incomplete, unclear, or confusing. (Secs. 12, 13, 15, 48 Stat. 892, 894, 895, sec. 3, 49 Stat. 1377; 15 U. S. C. 78*l*, 78m, 78o) [Rule X-12B-4]

§ 240.12b-5 *Reservation of constitutional rights.* Any issuer filing an application for registration on an exchange and any person signing, or certifying to, such application or anything contained therein may accompany such application, signature, or certification by an express reservation of, and refusal to waive, any constitutional rights. (Sec. 12, 48 Stat. 892; 15 U. S. C. 78*l*) [Rule X-12B-5]

§ 240.12b-6 *Certification of reports of other persons.* In any case where an issuer is required to furnish, as a part of its application for the registration of any of its securities pursuant to sections 12 (b) and (c) of the Securities Exchange Act of 1934 (48 Stat. 892, 893; 15 U. S. C. 78l (b) (c)) reports or other documents with respect to any other person, such reports or other documents need not be certified by independent public or independent certified public accountants if such certification of such reports or other documents would not be required if the person with respect to which they are required to be furnished were itself the registrant, any other rule or regulation to the contrary notwithstanding. (Sec. 12, 48 Stat. 892; 15 U. S. C. 78*l*) [Rule X-12B-6]

§ 240.12b-7 *Procedure for termination of registration upon failure to file omitted financial statements or other information.* In all cases in which, pursuant to the Instruction Book for the Form on which its application for permanent registration (pursuant to sections 12 (b), (c) and (d) of the act) was filed, a registrant shall have filed as part of such application an agreement that registration pursuant to such application shall expire on a specified date unless prior to the date so specified the registrant shall have filed specified financial statements or other information omitted therefrom, and the registrant shall have failed to file such financial statements or other information prior to such specified date, the registration shall continue in effect until the close of business on the tenth day following the date on which telegraphic notice of such failure to file by the registrant shall have been given by the Commission to the registrant and the exchange, but such registration shall terminate at the close of business on such tenth day unless prior to the close of business on the fifth day following the giving of such notice either (a) all of the omitted financial statements or other information shall have been filed, or (b) the time for filing shall have been further extended by agreement of the registrant and the Commission. (Sec. 12, 48 Stat. 892; 15 U. S. C. 78*l*) [Rule X-12B-7]

§ 240.12b-8 *Extension of time for filing financial statements pursuant to agreements contained in applications for registration.* In all cases in which an application for registration of securities pursuant to sections 12 (b) (c) and (d) of the act contains an agreement that registration pursuant to such application should expire on the 90th day (or at the end of such longer period as the Commission might by order prescribe) after the close of the registrant's fiscal year ending on or after December 31, 1935, unless prior to such date the registrant should have filed certified financial statements for such year, the time for filing such certified financial statements is hereby extended to the date on or prior to which the registrant is required to file financial statements for such year in a periodic report under section 13 (48 Stat. 894; 15 U. S. C. 78m) as such date is determined by applicable rules or by the registrant's application for extension of time pursuant to such rules. Sec. 12, 13, 48 Stat. 892, 894; 15 U. S. C. 78*l*, 78m) [Rule X-12B-8]

§ 240.12b-9 *Registration by closed-end management investment companies.* (a) Notwithstanding the requirements of the form which would otherwise be appropriate for registration of securities on an exchange under the Securities Exchange Act of 1934 (hereinafter called the "appropriate form") any closed-end management investment company which is registered under the Investment Company Act of 1940 and which has no securities listed and registered on any exchange may file an application for registration of securities under the Securities Exchange Act of 1934 consisting of the following:

(1) The facing sheet of the appropriate form;

(2) A copy of the company's registration statement under section 8 (b) of the Investment Company Act of 1940 (54 Stat. 804; 15 U. S. C. 80a-7) including financial statements and exhibits;

(3) A copy of each report filed by the company pursuant to section 30 (a) or 30 (b) (1) of the Investment Company Act of 1940 (54 Stat. 836; 15 U. S. C. 80a-30) including financial statements and exhibits, if any;

(4) A description of the securities being registered as required by the appropriate form and any financial statements or exhibits required by the appropriate form which are not included in the application pursuant to subparagraphs (2) or (3) of this paragraph; and

(5) The signatures required by the appropriate form.

(b) The following statement shall appear on the facing sheet of the application or on a page immediately following the facing sheet:

This application, filed pursuant to § 240.12b-9 [Rule X-12B-9], consists of the registration statement under the Investment Company Act of 1940 [54 Stat. 789-847; 15 U. S. C. 80a-53] filed by the registrant on _____, 19____, and the following additional information and documents by § 240.12b-9. [Rule X-12B-9]

(List such additional information and documents.)

(c) If the registration statement or any report included in the application pursuant to paragraph (a) (2) or (a) (3) of this section, incorporates by reference any financial statements or exhibits required by the appropriate form which are on file with the Commission but are not on file with the exchange, the copies of the application filed with the exchange shall contain copies of such financial statements or exhibits. (Sec. 12, 48 Stat. 892; 15 U. S. C. 78*l*) [Rule X-12B-9]

§ 240.12b-10 *Registration by registrants under the Securities Act of 1933.* (a) Notwithstanding the requirements of the form which would otherwise be appropriate for registration of securities on an exchange under the Securities Exchange Act of 1934 (hereinafter called the "appropriate form") any issuer, except investment companies registered under the Investment Company Act of 1940, which has filed a registration statement under the Securities Act of 1933 and which has no securities listed and registered on any exchange may, if the registration statement has become effective and is not subject to any proceeding under section 8 (d) of the latter act (48 Stat. 79; 15 U. S. C. 77h) or to an order entered thereunder, file an application for registration of securities under the Securities Exchange Act of 1934 consisting of the following:

(1) The facing sheet of the appropriate form;

(2) A copy of the company's registration statement under the Securities Act of 1933, including financial statements and exhibits;

(3) A description of the securities being registered as required by the appropriate form (unless contained in the registration statement filed pursuant to subparagraph (2) of this paragraph) and any financial statements or exhibits required by the appropriate form which are not included in the application pursuant to subparagraph (2) of this paragraph; and

(4) The signatures required by the appropriate form.

(b) The following statement shall appear on the facing sheet of the application or on a page immediately following the facing sheet:

This application, filed pursuant to § 240.12b-10 [Rule X-12B-10], consists of the registration statement of _____ under the Securities Act of 1933 which became effective on _____, and the following additional information and documents required by § 240.12b-10 [Rule X-12B-10]

(List such additional information and documents.)

(c) Any application filed pursuant to this rule after the end of one or more fiscal years of the registrant following the last fiscal year for which certified financial statements were included in its registration statement under the Securities Act of 1933 shall be accompanied by an annual report for each such fiscal year on the form appropriate for annual reports of the registrant pursuant to section 13 of the Securities Exchange Act of 1934 (48 Stat. 894; 15 U. S. C. 78m) provided that if the registrant has filed for such fiscal year or years annual reports pursuant to section 15 (d) of the latter act (48 Stat. 895; 49 Stat. 1377; 15 U. S. C. 78o) it may file with the exchange copies of the annual reports so filed with the Commission.

(d) If the registration statement included in the application incorporates by reference any financial statements or exhibits required by the appropriate form which are on file with the Commission but are not on file with the exchange, the copies of the application filed with the exchange shall include copies of such financial statements or exhibits. (Sec. 12, 48 Stat. 892; 15 U. S. C. 78l) [Rule X-12B-10]

CERTIFICATION BY EXCHANGES

§ 240.12d1-1 *Certification by an exchange; amendments.* (a) Certification that a security has been approved by an exchange for listing and registration shall be made by the Governing Committee or corresponding authority of the exchange, and shall specify (1) such approval, and (2) the date of filing with the exchange of the application for registration and of any amendments thereto. The certification may be made by telegraph or wireless, but, in such case, shall be confirmed in writing.

(b) The exchange may, by notice to the Commission, withdraw its certification as to all or any part of the securities covered thereby prior to the time that the registration of such securities becomes effective. In the event that an amendment to an application for registration of any security is filed with the exchange and with the Commission, the certification, unless withdrawn, shall be deemed made with reference to the application as amended. [Rule X-12D1-1]

SUSPENSION OF TRADING, WITHDRAWAL, AND STRIKING FROM LISTING AND REGISTRATION

§ 240.12d2-1 *Suspension of trading, withdrawal and striking from listing and registration.* (a) (1) A security listed and registered on a national securities exchange may be suspended from trading by such exchange, in accordance with its rules. Such exchange shall promptly notify the Commission of any such suspension, the effective date thereof and the reasons therefor.

(2) Any such suspension may be continued until such time as it shall appear to the Commission that such suspension is designed to evade the provisions of section 12 (d) (48 Stat. 893; 15 U. S. C. 78l (d) and the rules and regulations thereunder relating to the withdrawal and striking of a security from listing and registration. During the continuance of such suspension the exchange shall notify the Commission promptly of any change in the reasons for the suspension. Upon the restoration to trading of any security suspended under this section, the exchange shall notify the Commission promptly of the effective date thereof.

(3) Suspension of trading shall not terminate the registration of any security.

(b) (1) An application by an issuer or an exchange to withdraw or strike a security from listing and registration pursuant to section 12 (d) of the act shall be made in accordance with the following requirements:

(i) The application shall be made in triplicate, shall be signed and sworn to by an officer of the applicant authorized to do so, and shall set forth the source of the authority of such officer. If the applicant is the issuer it shall forward promptly a copy of the application to the exchange and if the applicant is the exchange it shall forward promptly a copy of the application to the issuer.

(ii) The application shall cite the paragraph designation of each provision of the Constitution, by-laws or rules of the exchange, if any, which relates to such withdrawal or striking, and shall set forth the steps taken by the applicant to satisfy the requirements of such provision.

(iii) The application shall state the reasons for such proposed withdrawal or striking, together with all material facts relating thereto and such facts as in the opinion of the applicant have a bearing on whether the Commission should impose any terms for the protection of investors.

(2) If the application is made by the issuer, such issuer, if so directed by the Commission, shall promptly send notice of such application to all known holders of the security which is the subject of the application. Such notice shall state the time and place of hearing on the application and shall advise such security holders of their right to present their views by appearing at such hearing or writing the Commission on the subject of what terms, if any, should be imposed for the protection of investors in granting the application.

(3) The application may state that the applicant pursuant to this section offers the application in evidence at any hearing on such application. If such an offer is made, the application shall be received in evidence at the hearing as proof in support of the allegations therein without the necessity of the applicant appearing and introducing further evidence, unless:

(i) Counsel for the Commission objects, or

(ii) A holder of the security which is the subject of the application, the issuer or the exchange involved, or any other person having a bona fide interest in such proceeding appears and objects.

(4) If counsel for the Commission intends to object to the admission in evidence of the application or in advance of the hearing date is apprised of the intention of any person having a bona fide interest in the proceeding to appear in opposition to the application, he shall promptly advise the applicant thereof. If such objection or opposition is first made at such time that seasonable notice thereof cannot be given to the applicant, and the applicant does not appear, the hearing shall be continued to permit the applicant to appear and support its application at the adjourned date thereof. Unless the Commission otherwise directs, the application shall be dismissed if the applicant fails to appear and support its application after it has been notified by counsel for the Commission of such objection or opposition.

(c) If within 30 days after the publication of any rule or regulation which substantially alters or adds to the obligation, or detracts from the rights, of an issuer of a security registered pursuant to application under section 12 (b) or (c) of the act, or of its officers, directors or security holders, or of persons soliciting or giving any proxy or consent or authorization with respect to such security, the issuer shall file with the Commission a request that such registration shall expire and shall accompany such request with a written explanation of the reasons why the publication of such rule or regulation leads the issuer to make such request, such registration shall expire immediately upon receipt of such request or immediately before such rule or regulation becomes effective, whichever date is later. The absence of an express reservation, in an application for registration, of the rights herein granted shall not be deemed a waiver thereof.

(d) A security may be stricken from listing and registration by a national securities exchange if:

(1) Trading in such security has been terminated, pursuant to a rule of such exchange requiring such termination whenever a security is admitted to trading on another exchange; and

(2) Listing and registration of such security has become effective on such other exchange.

The exchange upon which such security has been so stricken shall notify the Commission of its action within 3 days from the date thereof. (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78l (d)) [Rule X-12D2-2]

§ 240.12d2-2 *Withdrawal from listing and registration of maturing securities and securities redeemed or retired.* (a) If any of the events described in subparagraphs (1) (2) and (3) of this paragraph occur with respect to the entire class of any security, registration of which shall have become effective pursuant to § 240.12d1-1 [Rule X-12D1-1], the securities comprising such class shall

be removed from listing and registration on the exchange upon which such securities are so registered by notice to the Commission by the exchange of its intention to remove such securities accompanied by a certification that it is reliably informed: (1) that such securities have been paid, redeemed, or retired in full; (2) that funds sufficient for the payment at maturity, redemption, or retirement of such securities have been deposited with an authorized agency for the purpose of such payment, redemption, or retirement, and, in the case of redemption or retirement, that notice of such redemption or retirement has been duly given; or (3) that the instruments representing the securities comprising such class have come to evidence, by operation of law or otherwise, other securities in substitution for the original security, and represent no other right, except, if such be the fact, the right to receive an immediate cash payment. The existence of statutory provisions in the certificate of incorporation permitting dissenters to receive the appraised or fair value of their holdings shall not operate to bar the application of subparagraph (3) of this paragraph. Securities shall be deemed to be retired within the meaning of this section where all rights pertaining to such securities have been extinguished; where such an event occurs as a result of an order of a Federal or State court or other governmental authority, the securities shall not be deemed to be retired unless the order is final under the appropriate statute and all applicable appeal periods have expired and no appeals are pending.

Notice and certification pursuant to this rule shall be given within a reasonable time after the occurrence of any of the events specified above. However, if an event within the purview of subparagraph (3) of this paragraph is such that the instruments representing the original security have come to evidence another security of the same issuer, and if the exchange has admitted or intends to admit the substituted security to trading as a security exempt from the operation of section 12 (a) pursuant to § 240.12a-5 [Rule X-12A-5], the exchange shall not file a notice and certification removing the original security until the substituted security has been removed from its exempt status. Removal under subparagraphs (1) and (3) of this paragraph shall be effective at the opening of business on the seventh day following the mailing of the notice and certification. Removal under subparagraph (2) of this paragraph shall be effective at the opening of business on the seventh day following the mailing of the notice and certification, or on the seventh day following the date of maturity, redemption, or retirement, whichever is later.

(b) If any security which is part of a class, registration of which shall have become effective pursuant to § 240.12d1-1 [Rule X-12D1-1] is purchased and canceled by the issuer thereof or otherwise retired or redeemed, although the entire class is not thereby retired or redeemed, such security shall be removed from listing and registration on the exchange upon which it is so registered on the date upon which such exchange receives notice, satisfactory to it, of such retirement or redemption. Any such removals from listing and registration shall be reported by the exchange to the Commission at intervals of 2 weeks or at such other periods as the Commission may designate, each such report to include all removals made since the last date covered by the preceding report. (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78*l* (d)) [Rule X-12D2-2]

REGISTRATION OF UNISSUED SECURITIES FOR "WHEN ISSUED" DEALING

§ 240.12d3-1 *Definitions.* When used in this section or in the forms prescribed pursuant thereto unless the context otherwise requires:

(a) The term "warrant" means any warrant or certificate evidencing a right to subscribe to or otherwise acquire another security, issued or unissued.

(b) The term "beneficiary security" means a security to the holders of which a warrant or right to subscribe to or otherwise acquire an unissued security is granted.

(c) The term "subject security" means a security which is the subject of a warrant or a right to subscribe to or otherwise acquire such security.

(d) The term "in the process of admission to dealing" in respect of a specified security means that (1) an application has been filed pursuant to sections 12 (b) and (c) of the act (48 Stat. 892, 893; 15 U. S. C. 78*l* (b) (c)) for the registration of such security on a national securities exchange upon notice of issuance; or (2) the Commission has granted an application made pursuant to section 12 (f) of the Act (48 Stat. 894, 49 Stat. 1375; 15 U. S. C. 78*l* (f) and Sup.) to continue or extend unlisted trading privileges to such security on a national securities exchange; or (3) written notice has been filed with the Commission by a national securities exchange to the effect that such security has been approved for admission to dealing as a security exempted from the operation of section 12 (a) of the act (48 Stat. 892; 15 U. S. C. 78*l* (a))

(e) The term "certifying exchange" means the exchange which has certified and approved the unissued warrant or other unissued security for registration for dealing on a "when issued" basis.

(f) The term "notice of deficiency" means a notice to the applicant by mail or telegraph setting forth any ground which appears to exist for denial of registration pursuant to § 240.12d3-8. (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78*l* (d)) [Rule X-12D3-1]

§ 240.12d3-2 *Registration of an unissued warrant.* An unissued warrant may be registered for "when issued" dealing on a national securities exchange, provided that:

(a) Such warrant is to expire by its terms within 90 days after the issuance thereof.

(b) Such warrant is granted to the holders of a security which is admitted to dealing on a national securities exchange.

(c) In respect of such warrant (1) an application has been filed pursuant to sections 12 (b) and (c) of the act for registration, upon notice of issuance, on the certifying exchange or on another national securities exchange in the same city, or (2) a statement on Form 15-AN complying with the provisions of § 240.-12a-4 has been filed and such warrant, has been approved by the certifying exchange or by another national securities exchange in the same city for admission to dealing as a security exempted from the operation of section 12 (a) of the act.

(d) Either (1) each subject security is admitted to dealing or is in the process of admission to dealing on a national securities exchange; or (2) there is available from a registration statement and periodic reports or other data filed by the issuer of each subject security, pursuant to any act or rule administered by the Commission, information substantially equivalent to that available pursuant to rules or regulations of the Commission in respect of a security duly listed and registered on a national securities exchange, and the rules of the certifying exchange provide that in the publication of quotations or transactions in such warrants (by ticker or otherwise) a symbol or other means be used to indicate that the subject security is neither admitted nor in the process of admission to dealing on a national securities exchange, and such rules provide further that confirmations to purchasers of such warrants contain a statement to that effect.

(e) A registration statement under the Securities Act of 1933 as amended is in effect as to such warrant and as to each subject security, if such registration is required.

(f) Formal and official announcement has been made by the issuer specifying (1) the terms of the plan or offer pursuant to which such warrant and each subject security is to be issued, and (2) the date, if any, as of which holders of record of the beneficiary security will be determined to be entitled to acquire such warrant, and (3) the approximate date of the issuance of such warrant, and (4) the approximate date of the issuance of each subject security.

(g) The members of the certifying exchange are subject to rules which provide substantially that the performance of a contract to purchase or to sell an unissued warrant shall be conditioned upon the issuance of such warrant.

(h) Notwithstanding the other provisions of this section an unissued warrant may not be registered for "when issued" dealing on an exchange on which such warrant is not in the process of admission to dealing, if application has been made for "when issued" dealing in such warrant on another exchange in the same city on which other exchange such warrant is in the process of admission to dealing. (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78*l* (d) [Rule X-12D3-2]

§ 240.12d3-3 *Application for registration of an unissued warrant.* An unissued warrant may be registered for "when issued" dealing on a national securities exchange:

(a) By the issuer filing Form 1-J with such exchange and with the Commission and by such exchange filing with the Commission the certification required by Form 1-J; or

(b) By such exchange filing Form 1-J with the Commission. (Sec. 12 (d), 48

Stat. 892; 15 U. S. C. 78*l* (d)) [Rule X-12D3-3]

§ 240.12d3-4 *Registration of an unissued security other than a warrant.* An unissued security other than a warrant may be registered for "when issued" dealing on a national securities exchange, provided that:

(a) Such unissued security is in the process of admission to dealing on such exchange or on another national securities exchange in the same city.

(b) Such unissued security is the subject of a right to subscribe to or otherwise acquire such unissued security granted to the holders of a security which is admitted to dealing on a national securities exchange.

(c) A registration statement under the Securities Act of 1933 as amended is in effect as to such unissued security, if such registration is required.

(d) If such unissued security is the subject of a warrant which is to expire by its terms in not more than 90 days, such warrant shall expire within 120 days after the record date for determining the holders of the beneficiary security entitled to acquire such warrant.

(e) Formal and official announcement has been made by the issuer specifying (1) the terms of the plan or offer pursuant to which such unissued security is to be issued, and (2) the date, if any, as of which holders of record of the beneficiary security will be determined to be entitled to subscribe to or otherwise acquire such unissued security, and (3) the approximate date of the issuance of such unissued security.

(f) The members of the certifying exchange are subject to rules which provide substantially that the performance of a contract to purchase or sell an unissued security shall be conditioned upon the issuance of such security.

(g) Notwithstanding the other provisions of this section an unissued security may not be registered for "when issued" dealing on an exchange on which such security is not in the process of admission to dealing, if application has been made for "when issued" dealing on another exchange in the same city on which other exchange such security is in the process of admission to dealing. (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78*l* (d)) [Rule X-12D3-4]

§ 240.12d3-5 *Application for registration of an unissued security other than a warrant.* An unissued security other than a warrant may be registered for "when issued" dealing on a national securities exchange:

(a) By the issuer filing Form 2-J with such exchange and with the Commission and by such exchange filing with the Commission the certification required by Form 2-J; or

(b) By such exchange filing Form 2-J with the Commission. (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78*l* (d)) [Rule X-12D3-5]

§ 240.12d3-6 *Effective and expiration dates.* (a) Registration of an unissued warrant or other unissued security for "when issued" dealing on a national securities exchange, shall become effective on the latest of the following dates:

(1) The opening of business on the sixth day after the date of filing with the Commission of the application for registration, or

(2) The opening of business on the second day after the date of filing with the Commission of the certification by such exchange to the application for registration, or

(3) If the Commission has sent a Notice of Deficiency, the date when the Commission sends notice to the applicant and to the exchange that all Notices of Deficiency have been withdrawn.

(b) If, in respect of an unissued warrant, any of the provisions of § 240.12d3-2 have not been satisfied, or if, in respect of an unissued security other than a warrant, any of the provisions of § 240.12d3-4 or § 240.12d3-10 have not been satisfied, and if the Commission has failed to send a Notice of Deficiency or has notified the exchange that all Notices of Deficiency have been withdrawn, registration of such unissued warrant or other unissued security shall nevertheless become effective on the date specified in paragraph (a) of this section as though no such deficiency existed, but the Commission shall not thereby be precluded from thereafter revoking such registration pursuant to § 240.12d3-9 for such deficiency.

(c) The Commission may accelerate the date upon which registration shall become effective upon a showing of unusual circumstances by written petition.

(d) Registration of an unissued warrant or other unissued security for "when issued" dealing shall expire at the close of business on the forty-fifth day after the effective date of such registration or at the close of business on the fifth full business day after the issuance of such warrant or other unissued security, whichever date is earlier, unless the Commission shall order an extension of the effective period of such registration. (Sec. 12 (d), 48 Stat. 892; 15 U. S. C. 78*l* (d)) [Rule X-12D3-6]

§ 240.12d3-7 *Amendments; withdrawal of certification.* (a) Promptly after the discovery of any inaccuracy, omission or other deficiency in an application for registration pursuant to this section, or in the certification thereto, or in any amendment thereto, or after the occurrence of any event which renders no longer accurate any portion of such application, certification or amendment, an amendment shall be filed correcting such inaccuracy, omission or other deficiency or setting forth the occurrence of such event. An amendment filed prior to the effective date of the application shall be deemed to have been filed at the same time and as a part of the original application. Amendments to the application for registration shall be filed on Form 8.

(b) In the event that, prior to the time registration becomes effective, an amendment to the application for registration is filed by the issuer with an exchange and the Commission, the certification by the exchange, unless withdrawn, shall be deemed made to the application as amended.

(c) An exchange may by notice to the Commission withdraw its certification as to all or any part of the warrants or other securities covered thereby prior to the time that registration becomes effective. (Sec. 12 (d), 48 Stat. 892; 15 U. S. C. 78*l* (d)) [Rule X-12D3-7]

§ 240.12d3-8 *Denial of registration.* (a) The Commission may deny registration of an unissued warrant or other unissued security for "when issued" dealing if, after notice and opportunity for hearing, it finds that:

(1) The application for registration or the certification thereof or any amendment thereto is deficient; or

(2) In respect of an unissued warrant, the provisions of § 240.12d3-2 have not been satisfied; or

(3) In respect of an unissued security other than an unissued warrant, the provisions of § 240.12d3-4 or § 240.12d3-10 have not been satisfied; or

(4) Any other facts exist which make denial of registration necessary or appropriate in the public interest or for the protection of investors.

(b) If it appears necessary or appropriate in the public interest or for the protection of investors, the Commission may postpone the effective date of any registration for any period of time.

(c) If 40 days have elapsed since the sending of any notice of deficiency, other than one which has been withdrawn, and neither the issuer nor the exchange has made a written request to the Commission for a hearing to determine whether registration shall become effective, such application shall be deemed withdrawn unless the Commission extends the time within which such request may be made. If such request is made, the Commission shall, within 5 days after receipt thereof, send notice by mail or telegraph of the date, hour and place fixed for the hearing. If such notice of hearing is not sent within the time specified, registration shall become effective upon the opening of business on the sixth business day after the date of receipt of the request for a hearing. Any hearing pursuant to this section may be continued from time to time for cause. After hearing, the Commission may deny registration or grant registration conditionally or unconditionally and fix the date when registration shall become effective. (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78*l* (d)) [Rule X-12D3-8]

§ 240.12d3-9 *Suspension and revocation of registration.* (a) The Commission may revoke the registration of an unissued warrant or other unissued security for "when issued" dealing on a national securities exchange, if, after appropriate notice and opportunity for hearing to the issuer of such warrant or other unissued security and to such exchange, it finds that:

(1) Any cause existed or has arisen since the effective date of such registration which would be grounds for denial of registration; or

(2) Any amendment required by § 240.12d3-7 has not been filed; or

(3) Subsequent to the effective date of such registration, transactions have been effected on such exchange which, with respect to such unissued warrant or other unissued security (i) create or induce a false, misleading or artificial appearance

of activity, (ii) unduly or improperly influence the market price, or (iii) make a price which does not reflect the true state of the market; or

(4) Any other facts exist which make such revocation necessary or appropriate in the public interest or for the protection of investors.

(b) If it shall appear necessary or appropriate in the public interest or for the protection of investors, the Commission may suspend such registration summarily pending final determination as to whether such registration shall be revoked. (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78*l* (d) [Rule X-12D3-9]

CROSS REFERENCE: For exemption of certain warrants from section 12 (a), see § 240.12a-4.

§ 240.12d3-10 *Registration of an unissued security, other than a warrant, to be issued pursuant to a plan of reorganization in connection with a receivership proceeding or bankruptcy proceeding under section 77 of the Bankuptcy Act, of a carrier required to make annual reports under section 20 of the Interstate Commerce Act, as amended.* (a) Notwithstanding the provisions of § 240.12d3-4, an unissued security, other than a warrant, to be issued pursuant to a Plan of Reorganization, confirmed by a court of competent jurisdiction in a receivership proceeding or a bankruptcy proceeding under section 77 of the Bankruptcy Act (47 Stat. 1474, 49 Stat. 911, 49 Stat. 1969, 53 Stat. 1406; 11 U. S. C. 205) of a carrier required to make annual reports under section 20 of the Interstate Commerce Act, as amended (24 Stat. 386, as amended; 49 U. S. C. 20) may be registered for "when issued" dealing on a national securities exchange, provided that:

(1) The reorganization managers, if any, or other person entrusted with the duty of consummating the Plan of Reorganization has filed a written statement with such exchange (and a duplicate signed original with the Commission) advising that:

(i) The Plan of Reorganization has been finally confirmed or otherwise finally approved by order of the court in which the receivership or bankruptcy proceeding is pending and that the time during which an appeal may be taken from such order has expired and that no such appeal is pending; and

(ii) Prior to the date when such unissued security is made available for delivery, application will be made for listing and for registration of such unissued security pursuant to section 12 (b) and (c) of the Act (48 Stat. 892; 15 U. S. C. 78*l*) on such exchange or on another exchange in the same city.

(2) Such unissued security is the subject of a right to subscribe to or otherwise acquire such unissued security granted to the holders of a security which is admitted to dealing on a national securities exchange.

(3) A registration statement under the Securities Act of 1933, as amended (48 Stat. 74; 15 U. S. C. 77a) is in effect as to such unissued security, if such registration is required.

(4) If such unissued security is the subject of a warrant evidencing a right to subscribe to or otherwise acquire such unissued security, such warrant shall expire within 90 days after its first issuance pursuant to the Plan of Reorganization.

(5) Formal and official announcement has been made of the terms of the Plan of Reorganization as confirmed by order of the court in which the receivership or bankruptcy proceeding is pending and a copy of such Plan, certified by the Clerk of such court, has been filed with such exchange and with the Commission as Exhibit "A" to Form 2-J.

(6) The members of the certifying exchange are subject to rules which provide substantially that the performance of a contract to purchase or sell an unissued security shall be conditioned upon the issuance of such security.

(7) No application has been filed for "when issued" dealing in such unissued security on another national securities exchange in the same city on which other exchange such unissued security is to be listed and registered upon issuance.

(b) Notwithstanding the provisions of § 240.12d3-5 (a) Form 2-J may be filed by the reorganization managers, if any, or other person entrusted with the duty of consummating the Plan of Reorganization.

(c) Notwithstanding the provisions of § 240.12d3-6 (d) registration of an unissued security for "when issued" dealing pursuant to paragraphs (a) and (b) of this section shall expire at the close of business on the one hundred and twentieth day after the effective date of such registration or at the close of business on the fifteenth full business day after the date when such unissued security is made available for delivery, whichever date is earlier, unless the Commission shall order an extension of the effective period of such registration. (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78 *l* (d)) [Rule X-12D3-10]

§ 240.12d3-11 *Exemption of unissued securities to be issued by international banking organizations.* Securities of any international banking organization are hereby exempted from the operation of the last sentence of section 12 (d) of the Securities Exchange Act of 1934: *Provided,* (a) The United States is a member of such organization pursuant to treaty or statute, and (b) Such unissued security is in process of admission to dealing on the exchange on which it is registered for "when-issued dealing." (Sec. 12 (d) 48 Stat. 892; 15 U. S. C. 78*l* (d)) [Rule X-12D3-11]

UNLISTED TRADING

§ 240.12f-1 *Applications for permission to continue or extend unlisted trading privileges.* (a) An application may be made to the Commission by any national securities exchange for the continuance or extension of unlisted trading privileges in any security, pursuant to section 12 (f) of the act. Such application shall be filed in triplicate, shall be in the form prescribed for registration statements by § 240.0-2 and shall set forth:

(1) Title of security;

(2) Name of issuer;

(3) Amount of such security issued and outstanding (number of shares of stock or principal amount of bonds) stating the source of such information;

(4) Information as to the public distribution of such security in the vicinity of such exchange, and the geographical area which is deemed to constitute such vicinity, stating the source of such information;

(5) Information as to the volume of public trading in such security in the vicinity of such exchange during the 12 calendar months immediately preceding the date of such application, stating the source of such information;

(6) Name of each exchange on which such security is (i) listed and registered or (ii) listed as a security exempted from the operation of section 12 (a) of the act or (iii) admitted to unlisted trading privileges; and, if such information is available, name of each foreign exchange on which such security is traded;

(7) Information as to the monthly price range of such security for each of the 12 calendar months immediately preceding the date of such application, stating the source of such information. If such security is listed or admitted to unlisted trading privileges on any other national securities exchange or exchanges, the monthly price range on each of such other exchanges shall be given;

(8) If such application is filed pursuant to section 12 (f) (3) of the act, a list of the registration statements and periodic reports and other data filed pursuant to the rules and regulations prescribed by the Commission under the Securities Exchange Act of 1934 or the Securities Act of 1933 (giving the title of each security in respect of which such registration statements, periodic reports and other data have been filed) supporting the contention that there is available in respect of the security which is the subject of the application, information substantially equivalent to that available in respect of a security duly listed and registered on a national securities exchange;

(9) Any other information which is deemed pertinent to the question of whether the continuation or extension of unlisted trading privileges in such security is necessary or appropriate in the public interest or for the protection of investors.

(b) Within 5 days after such application has been filed with the Commission, a copy thereof shall be furnished by the applicant to the issuer of such security and to every other national securities exchange on which such security is listed or admitted to unlisted trading privileges. (Sec. 12 (f) 48 Stat. 892, sec. 1, 49 Stat. 1375; 15 U. S. C. 78*l* (f)) [Rule X-12F-1]

CROSS REFERENCE: For rules and regulations under the Securities Act of 1933, see Part 230.

§ 240.12f-2 *Changes in securities admitted to unlisted trading privileges.* (a) Any security admitted to unlisted trading privileges on a national securities exchange although changed in one or more of the following respects:

(1) Title of such security or the name of the issuer;

(2) The maturity, interest rate, and/or outstanding aggregate principal amount

of an issue of bonds, debentures or notes;

(3) The par value, dividend rate, number of shares authorized and/or the outstanding number of shares of a stock;

shall, nevertheless, be deemed to be the security theretofore admitted to unlisted trading privileges on such exchange. Such exchange shall notify the Commission in writing of any such change promptly after learning thereof.

(b) Any security admitted to unlisted trading privileges on a national securities exchange in respect of which there is effected any change other than those specified in paragraph (a) of this section, shall, nevertheless, be deemed to be the security theretofore admitted to unlisted trading privileges on such exchange, provided the Commission shall have determined, upon application by such exchange, that the security after such change is substantially equivalent to the security theretofore admitted to unlisted trading privileges.

Such application shall be filed in triplicate, shall be in the form prescribed for registration statements by § 240.0-2 and shall contain the following information:

(1) Title of security;

(2) Name of issuer;

(3) A brief but comprehensive description of each change proposed to be effected in such security, together with a copy of all written matter submitted to security holders relating to each such change. (Sec. 12 (f) 48 Stat. 892, sec. 1, 49 Stat. 1375; 15 U. S. C. 78l (f)) [Rule X-12F-2]

§ 240.12f-3 *Termination or suspension of unlisted trading privileges.* (a) The issuer of any security for which unlisted trading privileges on any exchange have been continued or extended, or any broker or dealer who makes or creates a market for such security, or any other person having a bona-fide interest in the question of termination or suspension of such unlisted trading privileges may make application to the Commission for the termination or suspension of such unlisted trading privileges. Such application shall be filed in triplicate, shall be in the form prescribed for registration statements by § 240.0-2 and shall contain the following information:

(1) Name and address of applicant;

(2) A brief statement of the applicant's interest in the question of termination or suspension of such unlisted trading privileges;

(3) Title of security;

(4) Name of issuer;

(5) Amount of such security issued and outstanding (number of shares of stock or principal amount of bonds), stating source of information;

(6) Annual volume of public trading in such security (number of shares of stock or principal amount of bonds) on such exchange for each of the 3 calendar years immediately preceding the date of such application, and monthly volume of trading in such security for each of the 12 calendar months immediately preceding the date of such application;

(7) Price range on such exchange for each of the 12 calendar months immediately preceding the date of such application;

(8) A brief statement of the information in the applicant's possession, and the sources thereof, with respect to (i) the extent of public distribution of such security in the vicinity of such exchange and the geographical area which is deemed to constitute such vicinity, (ii) the extent of public trading activity in such security on such exchange, and (iii) the character of trading in such security on such exchange;

(9) Any other information which is deemed pertinent to the question of termination or suspension of such unlisted trading privileges.

(b) Within 5 days after such application has been filed with the Commission, a copy thereof shall be furnished by the applicant to such issuer (if such application is not made by such issuer) and to such exchange.

(c) Unlisted trading privileges in any security on any national securities exchange may be suspended or terminated by such exchange in accordance with its rules. Such exchange shall promptly notify the Commission of any such suspension or termination, the effective date thereof, and the reasons therefor. (Sec. 12, 48 Stat. 892, Sec. 1, 49 Stat. 1375; 15 U. S. C. 78l (f)) [Rule X-12F-3]

§ 240.12f-4 *Exemption of securities admitted to unlisted trading privileges from sections 13, 14, and 16.* (a) Any security for which unlisted trading privileges on any national securities exchange have been continued or extended pursuant to section 12 (f) (48 Stat. 894, 49 Stat. 1375; 15 U. S. C. 78l (f)) the issuer of which has no security registered as a listed security on such exchange, shall be exempt from the operation of section 13 (48 Stat. 894; 15 U. S. C. 78m) with respect to the filing of information, documents, and reports by the issuer thereof with such exchange, and, unless the issuer also has a security registered as a listed security on any other national securities exchange, with respect to such filing with the Commission.

(b) Any security for which unlisted trading privileges on any national securities exchange have been continued or extended pursuant to section 12 (f) of the act shall be exempt from the operation of section 14 (48 Stat. 895; 15 U. S. C. 78n) unless such security is also registered as a listed security on any other national securities exchange.

(c) (1) Any security for which unlisted trading privileges on any national securities exchange have been continued or extended pursuant to section 12 (f) (1) or (3) of the act, the issuer of which has no equity security registered as a listed security on any national securities exchange, shall be exempt from the operation of section 16 (48 Stat. 896; 15 U. S. C. 78p).

(2) Any security for which unlisted trading privileges on any national securities exchange have been continued or extended pursuant to section 12 (f) (1) or (3) of the act the issuer of which has an equity security registered as a listed security on any national securities exchange, shall be exempt from the operation of section 16 of the act insofar as the provisions of that section would otherwise apply to any person who is directly or indirectly the beneficial owner of more than 10 percent of such unlisted security provided that such person is neither a director nor officer of the issuer thereof nor directly or indirectly the beneficial owner of more than 10 percent of any class of any equity security of such issuer which is registered as a listed security. (Secs. 3, 13, 14, 16, 48 Stat. 882, 894, 895, 896; sec. 1, 49 Stat. 1375; 15 U. S. C. 78c, 78m, 78n, 78p) [Rule X-12F-4]

§ 240.12f-5 *Differentiation on ticker between transactions in listed and unlisted securities.* Every national securities exchange and every person directly or indirectly controlled by such exchange, in the publication or making available for publication by ticker of quotations or transactions in securities made or effected upon such exchange, shall differentiate between quotations or transactions in listed securities and quotations or transactions in securities for which unlisted trading privileges on such exchange have been continued or extended, by either adding the letter "L" to the report of each quotation or transaction in such listed securities, or by adding the letter "U" to the report of each quotation or transaction in such securities for which unlisted trading privileges have been continued or extended on such exchange. (Sec. 12, 48 Stat. 892, Sec. 1, 49 Stat. 1375; 15 U. S. C. 78l (f)) [Rule X-12F-5]

§ 240.12f-6 *Continuance of unlisted trading privileges on merged exchanges.* A national securities exchange which has absorbed another exchange in the same metropolitan area may, without further order of the Commission, continue unlisted trading privileges, subject to section 12 (f) of the act, as amended, and the rules and regulations thereunder, in any security which was admitted to such privileges on such other exchange at the time of such absorption. (Sec. 12, 48 Stat. 892, sec. 1, 49 Stat. 1375; 15 U. S. C. 78l (f)) [Rule X-12F-6]

PERIODIC REPORTS

§ 240.13a-1 *Annual reports.* An annual report for each issuer of a security registered on a national securities exchange shall be filed, on the appropriate form prescribed therefor, not more than 120 days after the close of each fiscal year ending on or after December 31, 1935, or such other period as shall be prescribed in the instruction book applicable to the particular form. In case the registrant finds it impracticable to file the report within such 120 days, it may file with the Commission an application for an extension of time to a specified date within 6 months after the close of the fiscal year. Such application shall state the grounds of impracticability and shall contain an agreement to file the report on or before such specified date. The application shall be deemed granted unless the Commission within 10 days after receipt thereof shall enter an order denying the application as being unreasonable and unnecessary under the circumstances. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78 m) [Rule X-13A-1]

CROSS REFERENCES: For regulations relating to registration of securities, see §§ 240.12b-1 to 240.12d-4. For exemption from require-

ment of filing annual report, see § 240.13a-6. For current reports by the issuer of a security registered on a national securities exchange, see § 240.13a-7.

§ 240.13a-2 *Forms for annual reports.* The annual reports required by § 240.13a-1 shall be filed on the appropriate form prescribed below:

(a) *Form 10-K for corporations.* This form is to be used for the annual reports of all corporations except those for which another form is specifically prescribed.

(b) *Form 11-K for unincorporated issuers.* This form is to be used for the annual reports of all unincorporated issuers except those for which another form is specifically prescribed.

(c) *Form 12-K for companies making annual reports under section 20 of Interstate Commerce Act, as amended, or section 220 of the Motor Carrier Act, 1935, or under section 219 of Communications Act of 1934.* This form is to be used for the annual reports of companies making annual reports under section 20 of the Interstate Commerce Act (24 Stat. 386; 49 U. S. C. 20) as amended, or section 220 of the Motor Carrier Act, 1935, and of carriers making annual reports under section 219 of the Communications Act of 1934 (48 Stat. 1077; 47 U. S. C. 219), except such companies in receivership or in bankruptcy, including proceedings for reorganization pursuant to section 77 or 77B of the Bankruptcy Act (47 Stat. 1474, 48 Stat. 912; 11 U. S. C. 205, 207) at the close of the fiscal year for which the report is made.

(d) *Form 12A-K for companies in receivership or bankruptcy at close of fiscal year and making annual reports under section 20 of Interstate Commerce Act, as amended, or section 220 of the Motor Carrier Act, 1935, or under section 219 of Communications Act of 1934.* This form is to be used for the annual reports of companies making annual reports under section 20 of the Interstate Commerce Act as amended, or section 220 of the Motor Carrier Act, 1935, and of carriers making annual reports under section 219 of the Communications Act of 1934 if such companies were in receivership or in bankruptcy, including proceedings for reorganization pursuant to section 77 or 77B of the Bankruptcy Act at the close of the fiscal year for which the report is made.

(e) *Form 13-K for insurance companies other than life and title insurance companies.* This form is to be used for the annual reports of corporations engaged, directly or through subsidiaries, primarily in the insurance business, except corporations engaged primarily in the life or title insurance business. This form is not to be used by corporations engaged primarily in the business of guaranteeing mortgages or mortgage participation certificates.

(f) *Form 14-K for certificates of deposit issued by a committee.* This form is to be used for the annual reports of issuers of certificates of deposit issued by a committee.

(g) *Form 16-K for voting trust certificates and underlying securities.* This form is to be used for annual reports relating to securities evidencing a participation in a voting trust agreement or a similar agreement for the holding of securities for voting purposes and to securities held subject to such agreements.

(h) *Form 18-K for foreign governments and political subdivisions thereof.* This form is to be used for the annual reports of foreign governments or political subdivisions thereof, except any public corporation or other autonomous entity in the nature of a political subdivision, other than a state, province, county or municipality or similar body politic which, at its option, has registered its securities on Form 21 in lieu of Form 18.

(i) *Form 19-K for issuers of American certificates against foreign issues and the underlying securities.* This form is to be used for the annual reports of issuers of American Certificates (for example, so-called American Depositary Receipts for Foreign Shares or American Participation Certificates in Foreign Bonds or Notes) issued against securities of foreign issuers deposited with an American depositary (whether physically held by such depositary in America or abroad) and of the foreign securities so deposited.

(j) *Form 20-K for foreign private issuers registering securities other than bonds.* This form is to be used for the annual reports of the following issuers with respect to securities other than bonds or other evidences of indebtedness: (1) nationals of a foreign country other than a North American country or Cuba, and (2) corporations or unincorporated associations, foreign or domestic, which are directly or indirectly owned or controlled by any foreign government.

(k) *Form 21-K for foreign private issuers registering bonds.* This form is to be used for the annual reports of the following issuers with respect to bonds or other evidences of indebtedness: (1) Nationals of a foreign country other than a North American country or Cuba, (2) Nationals of a North American country or Cuba if such bonds or other evidences of indebtedness are guaranteed by any foreign government, (3) corporations or unincorporated associations, foreign or domestic, which are directly or indirectly owned or controlled by any foreign government, and (4) public corporations or other autonomous entities in the nature of political subdivisions which, at their option, have registered securities on Form 21 in lieu of Form 18.

(l) *Form 24-K for bank holding companies.* This form is to be used for the annual reports of any person which is engaged, either directly or through subsidiaries, primarily in the business of owning securities of banks, for the purpose or with the effect of exercising control.

(m) *Form N-30A-1 for management investment companies.* This form shall be used for annual reports of management investment companies registered under the Investment Company Act of 1940, except those which issue periodic payment plan certificates. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78m) [Rule X-13A-2]

§ 240.13a-3 *Annual reports by issuers registering securities on Form 8-B.* (a) A registrant which registers securities on Form 8-B shall file an annual report pursuant to the provisions of §§ 240.13a-1 and 240.13a-2 for its predecessor, if only one, or, if there was a group of predecessors, for the parent company in such group, covering the last full fiscal year of such predecessor prior to the registrant's succession, if such year ended on or after December 31, 1935, and if such report is not filed by such predecessor. Such annual report shall contain the information that would have been required if it were being filed by such predecessor. A similar separate report shall also be filed for any predecessor which was a subsidiary in a group of predecessors and had securities registered.

(b) The first annual or interim report, other than a report required by paragraph (a) of this section, filed pursuant to § 240.13a-1 or § 240.13a-4 by a registrant having securities registered on Form 8-B, shall include information regarding the single predecessor or group of predecessors for the period from the most recent fiscal closing date prior to the registrant's succession to the date of such succession, as if such predecessor or group of predecessors were the registrant. The financial statements and schedules filed shall give effect to the operations of, and transactions by, the predecessor or group of predecessors during the period from the most recent fiscal closing date prior to the date of the registrant's succession to the date of such succession, as if such predecessor or group of predecessors were the registrant. A statement that effect has been given to such operations and transactions shall be made in a footnote or otherwise. No separate financial statements or schedules for the predecessor or predecessors need be filed. (Sec. 13, 48 Stat. 894, 15 U. S. C. 78m) [Rule X-13A-3]

§ 240.13a-4 *Interim reports.* (a) There shall be deemed to be an interim period if either of the following conditions exists:

(1) There is an interim period between

(i) The fiscal period covered by the information contained in any application for registration; and

(ii) The fiscal period covered by the information required to be furnished by the registrant in the annual report required to be filed pursuant to § 240.13a-1.

(2) The registrant shall change its fiscal year after the close of its first fiscal year ending on or after December 31, 1935.

(b) If any registrant has heretofore changed its fiscal year since the filing of its most recent application for registration of securities, it shall, as promptly as possible after the adoption of this section, notify the Commission of such change. Hereafter if any registrant shall change its fiscal year, it shall, within 10 days thereafter, notify the Commission of such change.

(c) For each interim period of 3 months or more, a separate report shall be filed. Such report shall comply with the following requirements:

(1) The interim report shall be filed not more than 120 days after the latest of the following dates: (i) December 31, 1935; (ii) the close of the interim period covered by such report; (iii) if the de-

termination to change the fiscal year is made after the lapse of what will be the interim period, the date of such determination.

(2) The interim report shall be in the form of the annual report appropriate for such issuer, but with such changes as may be necessary because it covers a fiscal period other than a full fiscal year. It shall state clearly, on its face, the period covered thereby.

(3) If such interim period is less than 6 months, the following additional rules shall also apply:

(i) The financial statements need not be certified.

(ii) If the financial statements are not certified, the registrant shall file with its next annual report certified financial statements covering the interim period.

(d) For each interim period of less than 3 months, no separate report need be filed. In such case, however, the following requirements shall be met:

(1) The next annual report of the registrant shall cover the period from the beginning of the interim period to the close of the following full fiscal year.

(2) The balance sheets required to be furnished shall be as of the close of the full fiscal year. However, separate balance sheet schedules shall be furnished (i) for the interim fiscal period; and (ii) for the full fiscal year. Balance sheets as of the close of the interim period need not be furnished.

(3) Separate profit and loss statements shall be furnished (i) for the interim fiscal period; and (ii) for the full fiscal year. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78m) [Rule X-13A-4]

§ 240.13a-5 *Exemption from requirement of filing annual report for period covered in an application for registration.* Notwithstanding the provisions of § 240.13a-1, an annual report need not be filed for a particular year if all of the following conditions are met:

(a) The issuer shall have filed, within the period prescribed for filing the annual report, an application for the registration of securities on a form other than Form 7, 8-A, or 8-B.

(b) The issuer shall have filed with such application, or as an amendment thereto, financial statements as of the dates and for the periods required under the appropriate form of annual report.

(c) Such application shall have been filed with each exchange with which the annual report is required to be filed. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78m) [Rule X-13A-5]

§ 240.13a-6 *Current reports.* (a) A current report on the appropriate form shall be filed by the issuer of a security registered on a national securities exchange (hereinafter called "the registrant") in case any of the events enumerated below occurred or shall occur at any time after the close of the first fiscal year or other 1-year period for which an annual report is required to be filed by the registrant, or if the registrant had no security registered on a national securities exchange on December 31, 1935, at any time after the registration of any of its securities first became or shall become effective:

(1) A material amendment of any exhibit previously filed by the registrant pursuant to section 12 or 13 of the act (48 Stat. 892, 894, 49 Stat. 1375; 15 U. S. C. 78l, 78m),

(2) The execution of any voting trust agreement, contract, or indenture of a character required to be filed as an exhibit in the form of annual report appropriate for the registrant;

(3) A substantial restatement of the capital shares account of the registrant;

(4) The issuance of any new class of securities, or an aggregate increase or decrease of more than 5 percent in the amount of any class of securities of the registrant outstanding, as last previously reported, unless resulting from an ordinary sinking fund operation; *Provided,* That (i) no report need be made with respect to notes, drafts, bills of exchange, or banker's acceptances having a maturity at the time of issuance of not exceeding 1 year, and (ii) for the purposes of this subparagraph, securities held by the registrant shall not be deemed "outstanding";

(5) The granting or extension of any option to purchase equity securities of the registrant from the registrant, *Provided,* That a current report need be made only when one or more options calling for an aggregate principal amount of $50,000 or more of a single issue of convertible evidences of indebtedness, or an aggregate of 1,000 or more shares or other units of any other single class of equity securities, have been granted or extended and have not been previously reported;

(6) The exercise, in whole or in part, of any option to purchase equity securities of the registrant from the registrant, provided that a current report need be made only when a person or persons have acquired an aggregate principal amount of $50,000 or more of a single issue of convertible evidences of indebtedness, or an aggregate of 1,000 or more shares or other units of any other single class of equity securities, through one or more exercises which have not been previously reported;

(7) A person's becoming, or ceasing to be, a parent or subsidiary of the registrant, provided that no report need be made as to any subsidiary the name of which would not be required to be furnished in the form of annual report appropriate for the registrant;

(8) A substantial revaluation of the assets of the registrant;

(9) A substantial withdrawal or substitution with respect to property securing any issue of registered securities;

(10) The settlement of any contract price negotiation proceedings under section 403 of the Sixth Supplemental National Defense Appropriation Act, as amended, unless:

(i) Financial statements for the period or periods covered by the settlement have not yet been filed; or

(ii) The results of the settlement are reflected in the financial statements most recently filed.

Provided, however, That no report need be filed as to any event concerning which information substantially similar to that required by Form 8-K shall have been previously reported by the registrant.

(b) The current report shall be filed not more than 10 days after the close of the calendar month during which occurred the event obligating the registrant to file the current report, or if the event occurred prior to December 1, 1936, not later than January 10, 1937.

(c) As used in this section, the term "previously reported" means previously reported in an application for registration or a report filed pursuant to section 12 or 13 of the act; the term "option" does not include options evidenced by an issue of securities, such as an issue of warrants or rights; the term "unit" means that unit of a class of securities representing the smallest interest in the registrant or in property of the registrant, or having the smallest par or face value or denomination which is separately transferable by a holder thereof. Unless the context otherwise requires, all other terms used in this section have the same meanings as in the act, in the form appropriate for an annual report of the registrant, and in the instruction book accompanying such form.

(d) The foregoing provisions of this section shall not be applicable to issuers of securities which are registered pursuant to an application on Form 18, 19, 20 or 21 or to management investment companies registered under the Investment Company Act of 1940 (54 Stat. 789, et seq., 15 U. S. C. 80a-1 to 53) which are required to file quarterly reports on Form N-30B-1.

(e) A current report shall be filed by the registrant whenever its board of directors (or persons performing similar functions) decide to declare a dividend or distribution to the holders of any class of securities of such registrant, either with or without consideration, partly or wholly in the form of (1) an asset other than cash, stock, or a warrant or right to subscribe to or purchase stock, or (2) anything evidencing a right to receive such an asset. Such current report shall be filed promptly by confirmed telegram sent not later than midnight of the same day. The telegram shall be filed with each exchange on which any security of the registrant is registered and with the Commission, and the confirmation shall be filed with each such exchange and in triplicate with the Commission. Both the telegram and the confirmation may be filed in any form and shall contain a full and accurate description of the contemplated dividend or distribution. Whenever the terms of such contemplated dividend are changed in any material respect prior to the actual declaration of the dividend or distribution, and in any event upon such actual declaration, a supplementary report shall be filed, in the same manner and within the same time, bringing up to date the information contained in the report or reports previously filed under this paragraph. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78m) [Rule X-13A-6]

§ 240.13a-6b *Quarterly reports by certain companies.* (a) The provisions of this section shall be applicable only to issuers of securities as to which both the following conditions exist:

(1) The issuer files annual reports on Form 10-K, 11-K or U-5K, or files a report on one of such forms as Part II of Form 16-K.

(2) The issuer is not an insurance company, an investment company, a common carrier, a public utility, or a company primarily engaged in the production and sale of raw cane sugar or other seasonal single-crop agricultural commodity.

(b) Each issuer subject to this section shall, for each of its fiscal quarters, beginning after December 31, 1945, file a report on Form 8-K containing the information called for by Item 11 of such form: *Provided, however* That any issuer heretofore subject to the provisions of § 240.13a-6a shall file reports pursuant to this section beginning with the fiscal quarter immediatley following the last fiscal quarter for which a report was required to be filed under § 240.13a-6a.

(c) Reports required by this section shall be filed not more than 45 days after the close of the fiscal quarter for which the report is filed or not more than 45 days after the effective date of this section, whichever is later. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78m) [Rule X-13A-6B]

CROSS REFERENCE: For interpretative release applicable to § 240.13a-6b, see § 241.3803 of this chapter.

§ 240.13a-7 *Companies registered under the Investment Company Act of 1940.* (a) Notwithstanding §§ 240.13a-1 and 240.13a-2 any registrant for which Form 10-K, 15-K or 17-K is appropriate for annual reports pursuant to section 13 of the act (48 Stat. 894, 15 U. S. C. 78m) and which has filed a registration statement on the appropriate form prescribed under section 8 (b) of the Investment Company Act of 1940 (54 Stat. 803; 15 U. S. C. 80a-8) may file copies of such registration statement as its annual report pursuant to said section 13, provided the registration statement covers the fiscal period that would be covered by a report on Form 10-K, 15-K or 17-K, as the case may be, and provided such report is filed within the period prescribed for filing an annual report pursuant to section 13 or on or before July 15, 1941, whichever is later. This section shall not apply, however, to any company which has filed a registration statement which itself consists in whole or in part of copies of information and documents filed under the Securities Act of 1933 (48 Stat. 74, as amended; 15 U. S. C. 78a, et seq.) or the Securities Exchange Act of 1934 (48 Stat. 881, as amended; 15 U. S. C. 78a, et seq.) and which is filed pursuant to rules and regulations under section 8 (c) of the Investment Company Act of 1940. (54 Stat. 803; 15 U. S. C. 80a-8)

(b) Every report filed pursuant to this rule shall be filed under cover of the facing sheet of Form 10-K, 15-K or 17-K, whichever is appropriate. The following statement shall appear on the facing sheet of the annual report or on the page immediately following the facing sheet:

This annual report filed pursuant to Rule X-13A-7 consists of information and documents contained in the registration statement on form _____ filed by the registrant on _____, 19 ____, pursuant to section 8 of the Investment Company Act of 1940.

(c) Any exhibits included in the registration statement which are not required by Form 10-K, 15-K or 17-K, as the case may be, for an annual report thereon may be omitted from the annual report.

(d) At least one copy of the registration statement filed with each exchange on which the registrant has securities listed and registered and one copy filed with the Commission shall be signed. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78m) [Rule X-13A-7]

§ 240.13a-8 *Quarterly reports of investment companies.* Every investment company registered under the Investment Company Act of 1940 (54 Stat. 789, et seq., 15 U. S. C. 80a-1 to 53) which has securities listed and registered on a national securities exchange and for which a form is prescribed below, shall file a quarterly report for each fiscal quarter for which it is required to file a quarterly report pursuant to section 30 (b) (1) of the Investment Company Act of 1940.

Form N-30B-1 for management investment companies. This form shall be used for quarterly reports of management investment companies except those which issue periodic payment plan certificates. (Sec. 13, 48 Stat. 894, 15 U. S. C. 78m) [Rule X-13A-8]

§ 240.13a-9 *Incorporation of information contained in a prospectus.* Any registrant which has filed with the Commission pursuant to § 230.800 (Rule 800 of the General Rules and Regulations under the Securities Act of 1933) copies of a prospectus meeting the requirements of section 10 (b) (1) of that act (48 Stat. 81, 906; 15 U. S. C. 77j) may incorporate by reference in its annual report pursuant to section 13 of the Securities Exchange Act of 1934 (48 Stat. 894; 15 U. S. C. 78m) any information, including financial statements, contained in the prospectus, provided a copy of the prospectus is filed as an exhibit to the annual report. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78m) [Rule X-13A-9]

§ 240.13a-10 *Reports in case of new registration under Securities Act of 1933.* (a) Notwithstanding the provisions of §§ 240.13a-1 and 240.13a-2 [Rules X-13A-1 and X-13A-2], any registrant except investment companies registered under the Investment Company Act of 1940, which has filed a registration statement under the Securities Act of 1933, may file as its annual report pursuant to § 240.13a-1 [Rule X-13A-1], copies of its registration statement under the latter act in lieu of an annual report on the appropriate annual report form if the statement (1) has become effective and is not subject to any proceeding under section 8 (d) of that act (48 Stat. 79; 15 U. S. C. 77 (h)) or to an order entered thereunder and (2) covers the period which would be covered by a report on the appropriate annual report form and contains all of the information including financial statements and exhibits required by the appropriate annual report form.

(b) The report shall be filed under cover of the facing sheet of the appropriate annual report form and shall be signed in accordance with the requirements of that form. The following statements shall appear on the facing sheet of the annual report or on the page immediately following the facing sheet:

This annual report, filed pursuant to § 240.13a-10 [Rule X-13A-10], consists of the information and documents contained in the registration statement on Form _____, filed by the registrant on _____ 19____, as amended under dates of _____

(c) Any exhibits included in the registration statement which are not required by the appropriate annual report form may be omitted.

(d) If the registration statement included in the report incorporates by reference any financial statements or exhibits required by the appropriate annual report form which are on file with the Commission but are not on file with the exchange, the copies of the annual report filed with the exchange shall include copies of such financial statements or exhibits.

(e) Copies of the report filed with the Commission may incorporate the registration statement by reference. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78m) [Rule X-13A-10]

§ 240.13b-1 *Reports of carriers and other persons subject to Federal regulation.* (a) In the case of any reports made pursuant to the act with respect to any person whose methods of accounting are prescribed under the provisions of any law of the United States, or any rule or regulation thereunder, the requirements imposed by such law or rule or regulation shall supersede the requirements imposed by any rule or regulation of the Commission under the act in respect of the same subject matter.

(b) In the case of carriers subject to the provisions of section 20 of the Interstate Commerce Act, as amended, or carriers required pursuant to any other act of Congress to make reports of the same general character as those required under such section 20, any person required to file reports or other documents with respect to such carriers may file with the Commission and the exchange duplicate copies of the reports and other documents filed with the Interstate Commerce Commission or with the governmental authority administering such other act of Congress in lieu of any reports, information and documents required under section 12 or 13 of the act in respect of the same subject matter. Any such reports or documents filed with the Commission and the exchange need not be certified by independent public or independent certified public accountants, any other rule or regulation to the contrary notwithstanding, if the reports and other documents filed with the Interstate Commerce Commission or with the governmental authority administering such other Act of Congress are not required to be so certified. (Sec. 13, 48 Stat. 894; 15 U. S. C. 78m) [Rule X-13B-1]

SOLICITATIONS OF PROXIES

§ 240.14a-1 *Definitions.* Unless the context otherwise requires, all terms used in §§ 240.14 to 240.14a-9 and in Schedule 14A have the same meanings as in the

act or elsewhere in the general rules and regulations and in the forms for applications and reports thereunder. In addition, the following definitions apply unless the context otherwise requires:

(a) *Associate.* The term "associate" used to indicate a relationship with any person, means (1) any corporation or organization (other than the issuer or a majority owned subsidiary of the issuer) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such person having the same home as such person.

(b) *Issuer.* The term "issuer" means the issuer of the securities in respect of which a proxy is solicited.

(c) *Proxy.* The term "proxy" includes every proxy, consent or authorization within the meaning of section 14 (a) of the act. The consent or authorization may take the form of failure to object or to dissent.

(d) *Proxy statement.* The term "proxy statement" means the statement required by § 240.14a-3 (a) whether or not contained in a single document.

(e) *Solicitation.* The term "solicitation" includes (1) any request for a proxy whether or not accompanied by or included in a form of proxy, (2) any request to execute or not to execute, or to revoke, a proxy, or (3) the furnishing of a form of proxy to security holders under circumstances reasonably calculated to result in the procurement of a proxy. The term does not apply, however, to the furnishing of a form of proxy to a security holder upon the unsolicited request of such security holder, the performance by the issuer of acts required by § 240.14a-7, or the performance by any person of ministerial acts on behalf of a person soliciting a proxy. (Sec. 14 (a) 48 Stat. 895; 15 U. S. C. 78n)

(f) *Last fiscal year.* The term "last fiscal year" of the issuer means the last fiscal year of the issuer ending prior to the date of the meeting for which proxies are to be solicited.

§ 240.14a-2 *Solicitations to which §§ 240.14 to 240.14a-9 apply.* Sections 240.14 to 240.14a-9, inclusive, apply to every solicitation of a proxy with respect to securities listed and registered on a national securities exchange, except the following:

(a) Any solicitation made otherwise than on behalf of the management of the issuer where the total number of persons solicited is not more than ten.

(b) Any solicitation by a person in respect of securities carried in his name or in the name of his nominee (otherwise than as voting trustee) or held in his custody, if such person:

(1) Receives no commission or remuneration for such solicitation, directly or indirectly, other than reimbursement of reasonable expenses,

(2) Furnishes to the person solicited a copy of all soliciting material with respect to the same subject matter or meeting received from all persons who shall furnish copies thereof for such purpose and who shall, if requested, defray the reasonable expenses to be incurred in forwarding such material, and

(3) In addition, does no more than instruct the person solicited to forward a proxy to the person, if any, to whom the person solicited desires to give a proxy, or request from the person solicited instructions as to the authority to be conferred by the proxy.

(c) Any solicitation by a person in respect of securities of which he is the beneficial owner.

(d) Any solicitation involved in the offer or sale of a certificate of deposit or other security registered under the Securities Act of 1933.

(e) Any solicitation with respect to a plan of reorganization under Chapter X of the Bankruptcy Act, as amended, if made after the entry of an order approving such plan pursuant to section 174 of said act and after, or concurrently with, the transmittal of information concerning such plan as required by section 175 of said act.

(f) Any solicitation which is subject to Rule U-62 under the Public Utility Holding Company Act of 1935.

(g) Any solicitation through the medium of a newspaper advertisement which informs security holders of a source from which they may obtain copies of a proxy statement, form of proxy and any other soliciting material and does no more than (1) name the issuer, (2) state the reason for the advertisement, and (3) identify the proposal or proposals to be acted upon by security holders. (Sec. 14 (a), 48 Stat. 895; 15 U. S. C. 78n)

§ 240.14a-3 *Information to be furnished security holders.* (a) No solicitation subject to §§ 240.14 to 240.14a-9, inclusive, shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information specified in Schedule 14A.

(b) If the solicitation is made on behalf of the management of the issuer and relates to an annual meeting of security holders at which directors are to be elected, each proxy statement furnished pursuant to paragraph (a) of this section shall be accompanied or preceded by an annual report to such security holders containing such financial statements for the last fiscal year as will, in the opinion of the management, adequately reflect the financial position and operations of the issuer. Such annual report, including financial statements may be in any form deemed suitable by the management. This paragraph shall not apply, however, to solicitations made on behalf of the management before the financial statements are available if solicitation is being made at the time in opposition to the management and if the management's proxy statement includes an undertaking in bold face type to furnish such annual report to all persons being solicited, at least twenty days before the date of the meeting.

(c) Three copies of each annual report sent to security holders pursuant to this section shall be mailed to the Commission, solely for its information, not later than the date on which such report is first sent or given to security holders or the date on which preliminary copies of solicitation material are filed with the Commission pursuant to § 240.14a-6 (a) whichever date is later. The annual report is not deemed to be "soliciting material" or to be "filed" with the Commission or otherwise subject to §§ 240.14 to 240.14a-9, inclusive, or to the liabilities of section 18 of the act, except to the extent that the issuer specifically requests that it be treated as a part of the proxy soliciting material or incorporates it in the proxy statement by reference. (Sec. 14 (a) 48 Stat. 895; 15 U. S. C. 78n)

§ 240.14a-4 *Requirements as to form of proxy.*[1] (a) The form of proxy (1) shall indicate in bold face type whether or not the proxy is solicited on behalf of the management and (2) shall identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the management or by security holders. No reference need be made, however, to proposals omitted pursuant to paragraph (c) of § 240.14a-8.

(b) Means shall be provided in the form of proxy whereby the person solicited is afforded an opportunity to specify by ballot a choice between approval or disapproval of each matter or group of related matters referred to therein as intended to be acted upon, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not so specified provided the form of proxy states in bold face type how it is intended to vote the shares represented by the proxy in each such case.

(c) A proxy may confer discretionary authority with respect to other matters which may come before the meeting, provided the persons on whose behalf the solicitation is made are not aware at the time the solicitation is made that any such other matters are to be presented for action at the meeting and provided further that a specific statement to that effect is made in the proxy statement or in the form of proxy. A proxy may also confer discretionary authority with respect to any proposal omitted from the proxy statement and form of proxy pursuant to paragraph (c) of § 240.14a-8.

(d) No proxy shall confer authority (1) to vote for the election of any person to any office for which a bona fide nominee is not named in the proxy statement, or (2) to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders.

(e) The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the shares represented by the proxy will be voted and that where the person solicited specifies by means of a ballot provided pursuant to paragraph (b) of this section a choice with respect to any matter to be acted upon, the shares will be voted

[1] See § 241.4185 of this chapter for interpretative statement accompanying the November 5, 1948 revision of this rule.

in accordance with the specifications so made.

§ 240.14a-5 *Presentation of information in proxy statement.* (a The information included in the proxy statement shall be clearly presented and the statements made shall be divided into groups according to subject matter and the various groups of statements shall be preceded by approximate headings. The order of items and sub-items in the schedule need not be followed. Where practicable and appropriate, the information shall be presented in tabular form. All amounts shall be stated in figures. Information required by more than one applicable item need not be repeated. No statement need be made in response to any item or sub-item which is inapplicable.

(b) Any information required to be included in the proxy statement as to terms of securities or other subject matter which from a standpoint of practical necessity must be determined in the future may be stated in terms of present knowledge and intention. To the extent practicable, the authority to be conferred concerning each such matter shall be confined within limits reasonably related to the need for discretionary authority. Subject to the foregoing, information which is not known to the persons on whose behalf the solicitation is to be made and which it is not reasonably within the power of such persons to ascertain or procure may be omitted, if a brief statement of the circumstances rendering such information unavailable is made.

(c) There may be omitted from the proxy statement any information contained in any other proxy soliciting material which has been furnished to each person solicited in connection with the same meeting or subject matter if a clear reference is made to the place where such information appears.

(d) All printed proxy statements shall be set in type at least as legible as 10-point leaded type except that to the extent necessary for convenient presentation financial statements and tabular matter may be set in type at least as legible as 8-point leaded type. (Sec. 14 (a), 48 Stat. 895; 15 U. S. C. 78n)

§ 240.14a-6 *Material required to be filed.* (a) Three preliminary copies of the proxy statement and form of proxy and any other soliciting material to be furnished to security holders concurrently therewith shall be filed with the Commission at least ten days prior to the date definitive copies of such material are first sent or given to security holders, or such shorter period prior to that date as the Commission may authorize upon a showing of good cause therefor.

(b) Three preliminary copies of any additional soliciting material, relating to the same meeting or subject matter, furnished to security holders subsequent to the proxy statement shall be filed with the Commission at least two days (exclusive of Saturdays, Sundays or holidays) prior to the date copies of such material are first sent or given to security holders, or such shorter period prior to such date as the Commission may authorize upon a showing of good cause therefor.

(c) Three definitive copies of the proxy statement, form of proxy and all other soliciting material, in the form in which such material is furnished to security holders, shall be filed with, or mailed for filing to, the Commission not later than the date such material is first sent or given to any security holders. Three copies of such material shall at the same time be filed with, or mailed for filing to, each national securities exchange upon which any security in respect of which the solicitation is made is listed and registered.

(d) If the solicitation is to be made in whole or in part by personal solicitation, three copies of all written instructions or other material which discusses or reviews, or comments upon the merits of, any matter to be acted upon and which is furnished to the individuals making the actual solicitation for their use directly or indirectly in connection with the solicitation shall be filed with the Commission by the persons on whose behalf the solicitation is made at least five days prior to the date copies of such material are first sent or given to such individuals, or such shorter period prior to that date as the Commission may authorize upon a showing of good cause therefor.

(e) All copies of material filed pursuant to paragraph (a) or (b) of this section shall be clearly marked "Preliminary Copies" and shall be for the information of the Commission only, except that such material may be disclosed to any department or agency of the United States Government and the Commission may make such inquiries or investigation in regard to the material as may be necessary for an adequate review thereof by the Commission. All material filed pursuant to paragraph (a) (b) or (c) of this section shall be accompanied by a statement of the date upon which copies thereof are intended to be, or have been, released to security holders. All material filed pursuant to paragraph (d) of this section shall be accompanied by a statement of the date upon which copies thereof are intended to be released to the individuals who will make the actual solicitation.

(f) Copies of replies to inquiries from security holders requesting further information and copies of communications which do no more than request that forms of proxy theretofore solicited be signed and returned need not be filed pursuant to this section. (Sec. 14 (a), 48 Stat. 895; 15 U. S. C. 78n)

NOTE: Where preliminary copies of material are filed with the Commission pursuant to this section, the printing of definitive copies for distribution to security holders should be deferred until the comments of the Commission's staff have been received and considered.

§ 240.14a-7 *Mailing communications for security holders.* If the management of the issuer has made or intends to make any solicitation subject to §§ 240.14 to 240.14a-9, inclusive, the issuer shall perform such of the following acts as may be duly requested in writing with respect to the same subject matter or meeting by any security holder who is entitled to vote on such matter or to vote at such meeting and who shall defray the reasonable expenses to be incurred by the issuer in the performance of the act or acts requested.

(a) The issuer shall mail or otherwise furnish to such security holder the following information as promptly as practicable after the receipt of such request:

(1) A statement of the approximate number of holders of record of any class of securities, any of the holders of which have been or are to be solicited on behalf of the management, or any group of such holders which the security holder shall designate.

(2) If the management of the issuer has made or intends to make, through bankers, brokers or other persons any solicitation of the beneficial owners of securities of any class, a statement of the approximate number of such beneficial owners, or any group of such owners which the security holder shall designate.

(3) An estimate of the cost of mailing a specified proxy statement, form of proxy or other communication to such holders, including insofar as known or reasonably available, the estimated handling and mailing costs of the bankers, brokers or other persons specified in subparagraph (2) of this paragraph.

(b) Copies of any proxy statement, form of proxy or other communication furnished by the security holder shall be mailed by the issuer to such of the holders of record specified in paragraph (a) (1) of this section as the security holder shall designate. The issuer shall also mail to each banker, broker or other person specified in paragraph (a) (2) of this section a sufficient number of copies of such proxy statement, form of proxy or other communication as will enable the banker, broker or other person to furnish a copy thereof to each beneficial owner solicited or to be solicited through him. Such material shall be mailed by the issuer with reasonable promptness after receipt of a tender of the material to be mailed, of envelopes or other containers therefor and of postage or payment for postage, except that such material need not be mailed prior to the first day on which the solicitation is made on behalf of the management. Neither the management nor the issuer shall be responsible for such proxy statement, form of proxy or other communication.

(c) In lieu of performing the acts specified above, the issuer may, at its option, furnish promptly to such security holder a reasonably current list of the names and addresses of such of the holders of record specified in paragraph (a) (1) of this section as the security holder shall designate, and a list of the names and addresses of such of the bankers, brokers or other persons specified in paragraph (a) (2) of this section as the security holder shall designate together with a statement of the approximate number of beneficial owners solicited or to be solicited through each such banker, broker or other person, and a schedule of the handling and mailing costs of each such banker, broker or other person, if such schedule has been supplied to the management of the issuer. The foregoing information shall be furnished promptly

upon the request of the security holder or at daily or other reasonable intervals as it becomes available to the management of the issuer. (Sec. 14 (a), 48 Stat. 895; 15 U. S. C. 78n)

CROSS REFERENCE: For interpretative releases applicable to § 240.14a-7, see §§ 241.3638 and 271.735 of this chapter.

§ 240.14a-8 *Proposals of security holders.* (a) If any security holder entitled to vote at a meeting of security holders of the issuer shall submit to the management of the issuer a reasonable time before such meeting a proposal which is a proper subject for action by the security holders and which is accompanied by notice of his intention to present the proposal for action at the meeting, the management shall set forth the proposal in its proxy statement and shall identify the proposal in its form of proxy and provide means by which security holders can make the specification provided for by § 240.14a-4 (a). A proposal so submitted with respect to an annual meeting more than 30 days in advance of a day corresponding to the date on which proxy soliciting material was released to security holders in connection with the last annual meeting of security holders shall prima facie be deemed to have been submitted a reasonable time before the meeting. This rule does not apply, however, to elections to office.

(b) If the management opposes the proposal, it shall also, at the request of the security holder, include in its proxy statement the name and address of the security holder and a statement of the security holder setting forth, in not more than one-hundred words, the reasons advanced by him in support of the proposal. Such statement and request shall be furnished to the management at the same time that the proposal is furnished to it. Neither the management nor the issuer shall be responsible for such statement.

(c) Notwithstanding the foregoing, the management may omit a proposal and any statement in support thereof from its proxy statement and form of proxy under the following circumstances:

(1) If it clearly appears that the proposal is submitted by the security holder primarily for the purpose of enforcing a personal claim or of redressing a personal grievance against the issuer or its management, or

(2) If the management has at the security holder's request included a proposal in its proxy statement and form of proxy relating to either of the last two annual meetings of security holders or any special meeting held subsequent to the earlier of such two annual meetings and such security holder has failed without good cause to attend the meeting in person or by proxy or to present the proposal for action at the meeting, or

(3) If substantially the same proposal was submitted to the security holders for action at the last annual meeting of security holders or at any special meeting held subsequent thereto and received less than three percent of the total number of votes cast in regard to the proposal.

(d) Whenever the management asserts that a proposal and any statement in support thereof may properly be omitted from its proxy statement and form of proxy, it shall file with the Commission, not later than the date preliminary copies of the proxy statement and form of proxy are filed pursuant to § 240.14a-6 (a), (Rule X-14A-6 (a)), a copy of the proposal and any statement in support thereof, as received from the security holder, together with a statement of the reasons why the management deems such omission to be proper in the particular case. The management shall at the same time, if it has not already done so, notify the security holder submitting the proposal of its intention to omit the proposal from its proxy statement and form of proxy and shall advise the security holder as to the reasons for such omission. Compliance with this paragraph shall not be construed as relieving the management of its obligation to comply fully with the foregoing provisions of this section.

§ 240.14a-9 *False or misleading statements.* No solicitation subject to §§ 240.14 to 240.14a-9, inclusive, shall be made by means of any proxy statement, form of proxy, notice of meeting, or other communication, written or oral, containing any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading. (Sec. 14 (a), 48 Stat. 895; 15 U. S. C. 78n)

SCHEDULE 14A—INFORMATION REQUIRED IN PROXY STATEMENT

NOTE: Where any item calls for information with respect to any matter to be acted upon and such matter involves other matters with respect to which information is called for by other items of this schedule, the information called for by all applicable items shall be given. For example, if action is to be taken with respect to any merger, consolidation or acquisition, specified in Item 14 which involves the election of directors, Items 6 and 7 shall also be answered.

Item 1. Revocability of proxy. State whether or not the person giving the proxy has the power to revoke it. If it is asserted that the right of revocation before the proxy is exercised is limited, outline the limitation and state the basis for such assertion.

Item 2. Dissenters' right of appraisal. Outline briefly the rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon and indicate any statutory procedure required to be followed by dissenting security holders in order to perfect such rights. Where such rights may be exercised only within a limited time after the date of the adoption of a proposal, the filing of a charter amendment or other similar act, state whether the person solicited will be notified of such date.

Item 3. Persons making the solicitation. (a) If the solicitation is made on behalf of the management of the issuer, so state. Give the name of any director of the issuer who has informed the management in writing that he intends to oppose any action intended to be taken by the management and indicate the action which he intends to oppose.

(b) If the solicitation is made otherwise than on behalf of the management, so state and give the names of the persons on whose behalf it is made.

(c) State the names of the persons by whom the cost of the solicitation has been or will be borne, directly or indirectly.

(d) If the solicitation is made otherwise than by use of the mails, state the methods used. If the solicitation is made by specially engaged employees of the issuer or other paid solicitors, state (1) the material features of any contract or arrangement for such solicitations, (2) the cost or anticipated cost thereof, and (3) the approximate number of specially engaged employees of the issuer or employees of any other person (naming such other person) who will solicit proxies.

Item 4. Interest of certain persons in matters to be acted upon. Describe briefly any substantial interest, direct or indirect, (by security holdings or otherwise) of each of the following persons in any matter to be acted upon, other than elections to office:

(a) If the solicitation is made on behalf of the management, each person who has been a director or officer of the issuer at any time since the beginning of the last fiscal year.

(b) If the solicitation is made otherwise than on behalf of the management, each person on whose behalf the solicitation is made.

(c) Each nominee for election as a director of the issuer.

(d) Each associate of the foregoing persons.

(Item 4 does not apply to any interest arising solely by reason of a person's being a director, officer or nominee for office, or to any interest arising from the ownership of securities of the issuer where the matter to be acted upon is a stock split up or an increase or decrease in the amount of authorized securities, otherwise than for issuance to the persons specified, through options, warrants or rights, or otherwise.)

Item 5. Voting securities and principal holders thereof. (a) State as to each class of voting securities of the issuer entitled to be voted at the meeting, the number of shares outstanding and the number of votes to which each class is entitled.

(b) Give the date as of which the record of security holders entitled to vote at the meeting will be determined. If the right to vote is not limited to security holders of record on that date, indicate the conditions under which other security holders may be entitled to vote.

(c) If action is to be taken with respect to the election of directors and if the persons solicited have cumulative voting rights, make a statement that they have such rights and state briefly the conditions precedent to the exercise thereof.

(d) If to the knowledge of persons on whose behalf the solicitation is made, any person owns of record or beneficially more than 10 percent of the outstanding voting securities of the issuer, name such person, state the approximate amount of such securities owned of record but not owned beneficially and the approximate amount owned beneficially by such person and the percentage of outstanding voting securities represented by the amount of securities so owned in each such manner.

Item 6. Nominees for election as directors. (a) If action is to be taken with respect to the election of directors, name the persons nominated for election as directors and the term of office for which they are candidates.

(b) If any such nominee is proposed to be elected pursuant to any arrangement or understanding between the nominee and any other person or persons, except the directors and officers of the issuer acting solely in that capacity, name such other person or persons and described briefly such arrangement or understanding.

(c) Furnish, in tabular form to the extent practicable, the following information with respect to each person nominated for election as a director:

(1) State the principal occupation or employment of such nominee and the name and principal business of any corporation or other organization in which such employment is carried on.

(2) If the nominee is or has previously been a director of the issuer, state the period or periods during which he has served as such.

(3) State, as of the most recent practicable date, the approximate amount of each class of securities of the issuer beneficially owned, directly or indirectly, by such nominee. If the nominee is not the beneficial owner of any securities of the issuer, make a statement to that effect.

(4) If more than 10 percent of any class of securities of the issuer are beneficially owned by such nominee and his associates, state the approximate amount of each class of such securities beneficially owned by such associates naming each associate whose holdings are substantial.

(d) Describe briefly the business experience of such nominee during the last five years, unless such nominee is now a director and was elected to his present term of office by a vote of security holders at a meeting for which proxies were solicited under § 240.14.

Item 7 Remuneration and other transactions with directors, nominees, officers and others. Furnish the information called for by this item if action is to be taken with respect to (i) the election of directors, (ii) any bonus, profit-sharing, or other remuneration plan in which any director, nominee for election as a director, or officer of the issuer, will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any options, warrants or rights to purchase securities of the issuer or any subsidiary, other than warrants or rights issued or to be issued to security holders, as such, on a pro rata basis. If the solicitation is made on behalf of the management of the issuer, the entire item is to be answered. In the case of solicitations on behalf of persons other than the management, the information required by paragraph (a) may be omitted, and the information required by the remaining paragraphs need be furnished only as to nominees for election as directors and as to their associates. The information shall be furnished in tabular form insofar as practicable and on an accrual basis if practicable.

(a) Furnish the following information, in substantially the tabular form indicated, as to the aggregate remuneration directly or indirectly paid or set aside by the issuer and its subsidiaries to, or for the benefit of, the following persons for services in all capacities while acting as directors or officers of the issuer during its last fiscal year.

(1) Each person who was a director of the issuer at any time during such fiscal year and whose aggregate remuneration, exclusive of pension, retirement and similar payments, exceeded $25,000.

(2) Each person who was one of the three highest-paid officers of the issuer during such fiscal year and whose aggregate remuneration, exclusive of pension, retirement and similar payments, exceeded $25,000.

(3) All persons, as a group, who were directors or officers of the issuer at any time during such fiscal year.

(1) Name of individual or identity of group	(2) Capacities in which remuneration was received	(3) Fees, salaries, and commissions	(4) Bonuses and shares in profits	(5) Pension, retirement and similar payments

Instructions. 1. Include in column (5) any amounts paid, set aside or accrued pursuant to any pension, retirement, savings or other similar plan, including premiums paid for life insurance or retirement annuities.

2. The issuer may state, with respect to any person specified, the total remuneration paid to a partnership in which such person was a partner in lieu of an allocation of such person's share in the total remuneration so paid, if by note or otherwise, it is indicated that such has been done. The total amount of such remuneration shall be included in determining whether the aggregate remuneration of such person exceeded $25,000.

3. If the total remuneration shown in columns (3) and (4) for any individual director or officer, or for the directors and officers as a group, exceeds by more than ten percent the corresponding amounts of remuneration of such director, officer or group for the preceding fiscal year, state the amount of the excess of the remuneration shown over the corresponding amount for the preceding fiscal year.

(b) State the annual benefits estimated to be payable in the event of retirement at normal retirement date to each person named in answer to paragraph (a) pursuant to any pension or retirement plan.

Instruction. Except as to persons whose retirement benefits have already vested, the information called for by this paragraph may be given in a table showing the annual benefits payable to persons in specified salary classifications.

(c) Describe all transactions since the beginning of the last fiscal year of the issuer in which any person who was a director or officer of the issuer at any time during such period, or who is a nominee for election as a director, received remuneration, directly or indirectly, from the issuer and its subsidiaries in the form of securities, options, warrants, rights or other property, or through the exercise or disposition thereof. As to options, warrants or rights granted or extended, give (1) the title and amount of securities called for; (2) the prices, expiration dates and other material provisions; (3) the consideration received for the granting thereof, and (4) the market value of the securities called for on the granting or extension date. As to options, warrants or rights exercised, state (1) the title and amount of securities purchased; (2) the purchase price, and (3) the market value of the securities purchased on the date of purchase.

(Paragraph (c) does not apply to warrants or rights issued to security holders as such on a pro rate basis.)

(d) State as to each of the following persons who were indebted to the issuer or its subsidiaries at any time since the beginning of the last fiscal year of the issuer, (1) the largest aggregate amount of indebtedness outstanding at any time during such period, (2) the nature of the indebtedness, (3) the amount thereof outstanding as of the latest practicable date, and (4) the rate of interest paid or charged thereon: (i) each person who has been a director or officer of the issuer at any time during such period, (ii) each nominee for election as a director, and (iii) each associate of any such director, officer or nominee.

Instruction. Paragraph (d) does not apply to indebtedness arising from transactions in the ordinary course of business, or to any person whose aggregate indebtedness did not exceed $1,000 at any time during the period specified.

(e) Describe briefly any material interest, direct or indirect, of any of the following persons in any significant transactions since the beginning of the last fiscal year of the issuer, or in any significant proposed transactions, to which the issuer or any subsidiary and any one or more of such persons were or are to be parties: (1) any person who has been a director or officer of the issuer at any time during that period, (2) any nominee for election as a director, or (3) any associate of any such director, officer or nominee. If any such transaction involved or is to involve the purchase or sale of property by or to the issuer or any subsidiary, otherwise than in the ordinary course of business, state the cost of the property to the purchaser, and the cost thereof to the seller if acquired by the seller within two years prior to the transaction.

(Paragraph (e) does not apply to any interest arising solely by reason of a person's being a director, nominee for election as a director, or officer of the issuer or to any interest arising from the ownership of securities of the issuer.)

(f) Name each of the following persons whose aggregate remuneration from the issuer and its subsidiaries for services during the last fiscal year exceeded $25,000 and state the aggregate amount of remuneration received by each such person and the capacity in which it was received:

(1) Each affiliate (other than majority-owned subsidiaries) of the issuer;

(2) Each voting trustee of any securities of the issuer;

(3) Each security holder named in response to Item 5 (d), and

(4) Each associate of any such voting trustee or security holder, or of any director or nominee for election as a director of the issuer, or of any officer specified in paragraph (b) above.

Item 8. Selection of auditors. If action is to be taken with respect to the selection of auditors, or if it is proposed that particular auditors shall be recommended for selection by any committee to select auditors for whom votes are to be cast, name the auditors and describe briefly any material relationship of such auditors or any of their associates with the issuer or any of its affiliates.

Item 9. Bonus, profit sharing and other remuneration plans. If action is to be taken with respect to any bonus, profit sharing or other remuneration plan, furnish the following information:

(a) Describe briefly the material features of the plan, identify each class of persons who will participate therein, indicate the approximate number of persons in each such class and state the basis of such participation.

(b) State separately the amounts which would have been distributable under the plan during the last fiscal year of the issuer (1) to directors and officers and (2) to employees if the plan had been in effect.

(c) State the name and position with the issuer of each person specified in Item 7 (b), who will participate in the plan and the amount which each such person would have received under the plan for the last fiscal year of the issuer if the plan had been in effect.

(d) State separately the amounts paid or set aside for the benefit of (1) directors and officers and (2) employees during the last fiscal year of the issuer under any other

bonus, profit sharing, pension or retirement plan of the issuer or its subsidiaries, the general nature of such other plan, and the amount distributed or set aside thereunder to or for each person specified in Item 7 (b) who will participate in the plan to be acted upon.

(e) If the plan to be acted upon can be amended otherwise than by a vote of stockholders, to increase the cost thereof to the issuer or to alter the allocation of the benefits as between the groups specified in (b), state the nature of the amendments which can be so made.

Item 10. Pension and retirement plans. If action is to be taken with respect to any pension or retirement plan, furnish the following information:

(a) Describe briefly the material features of the plan, identify each class of persons who will be entitled to participate therein, indicate the approximate number of persons in each such class and state the basis of such participation.

(b) State the estimated annual payments to be made by the issuer and its subsidiaries pursuant to the plan with respect to (1) past services and (2) future services. State separately the amounts of each such payment which will be made for the benefit of (i) directors and officers and (ii) employees.

(c) State the name and position with the issuer of each person specified in Item 7 (b) who will be entitled to participate in the plan, the amount which would have been paid or set aside by the issuer and its subsidiaries for the benefit of such person for the last fiscal year of the issuer if the plan had been in effect, and the amount of the annual benefits estimated to be payable to such person in the event of retirement at normal retirement date.

(d) State separately the amounts paid or set aside for the benefit of (1) directors and officers and (2) employees during the last fiscal year of the issuer under any other bonus, profit sharing, pension or retirement plan of the issuer or its subsidiaries, the general nature of such other plan, and the amount distributed or set aside thereunder to or for each person specified in Item 7 (b) who will participate in the plan to be acted upon.

(e) If the plan to be acted upon can be amended otherwise than by a vote of stockholders to increase the cost thereof to the issuer or alter the allocation of the benefits as between the groups specified in (b), state the nature of the amendments which can be so made.

Item 11. Options, warrants, or rights. If action is to be taken with respect to the granting or extension of any options, warrants or rights to purchase securities of the issuer or any subsidiary, furnish the following information:

(a) The title and amount of the securities to be called for by such options, warrants or rights.

(b) A brief outline of the prices, expiration dates and other material conditions upon which the options, warrants or rights may be exercised.

(c) The consideration to be received by the issuer or subsidiary for the granting or extension of the options, warrants or rights.

(d) The market value of the securities called for by the options, warrants or rights as of the latest practicable date.

(e) State the name of each director, nominee for election as a director, or officer of the issuer, or any associate of such person who is to receive any of such options, warrants or rights and the amount called for by the options, warrants or rights to be received by each such person. State also the name and address of any other person who is to receive options, warrants or rights calling for five percent or more of the amount subject to such options, warrants or rights and the amount called for by the options, warrants or rights to be received by each such person.

(Paragraph (e) does not apply to warrants or rights to be issued to security holders as such on a pro rata basis.)

Item 12. Authorization or issuance of securities otherwise than for exchange. If action is to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the issuer, furnish the following information:

(a) State the title and amount of securities to be authorized or issued.

(b) Furnish a description o fthe securities such as would be required to be furnished in an application on the appropriate form for their registration on a national securities exchange. If the securities are additional shares of common stock of a class outstanding, the description may be omitted except for a statement of the pre-emptive rights, if any.

(c) Describe briefly the transaction in which the securities are to be issued, including a statement as to (1) the nature and approximate amount of consideration received or to be received by the issuer, and (2) the approximate amount devoted to each purpose so far as determinable, for which the net proceeds have been or are to be used.

(d) If the securities are to be issued otherwise than in a general public offering for cash, state the reasons for the proposed authorization or issuance, the general effect thereof upon the rights of existing security holders, and the vote needed for approval.

Item 13. Modification or exchange of securities. If action is to be taken with respect to the modification of any class of securities of the issuer, or the issuance or authorization for issuance of securities of the issuer in exchange for outstanding securities of the issuer, furnish the following information:

(a) If outstanding securities are to be modified, state the title and amount thereof. If securities are to be issued in exchange for outstanding securities, state the title and amount of securities to be so issued, the title and amount of outstanding securities to be exchanged therefor and the basis of the exchange.

(b) Describe any material differences between the outstanding securities and the modified or new securities in respect of any of the matters concerning which information would be required in the description of the securities in an application on the appropriate form for their registration on a national securities exchange.

(c) State the reasons for the proposed modification or exchange, the general effect thereof upon the rights of existing security holders, and the vote needed for approval.

(d) Furnish a brief statement as to arrears in dividends or as to defaults in principal or interest in respect of the outstanding securities which are to be modified or exchanged and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(e) Outline briefly any other material features of the proposed modification or exchange. If the plan of proposed action is set forth in a written document, file copies thereof with the Commission in accordance with § 240.14a-6.

Item 14. Mergers, consolidations, acquisitions and similar matters. Furnish the following information if action is to be taken with respect to any plan for (i) the merger or consolidation of the issuer into or with any other person or of any other person into or with the issuer, (ii) the acquisition by the issuer or any of its security holders of securities of another issuer, (iii) the acquisition by the issuer of any other going business or of the assets thereof, (iv) the sale or other transfer of all or any substantial part of the assets of the issuer, or (v) the liquidation or dissolution of the issuer:

(a) Outline briefly the material features of the plan. State the reasons therefor, the general effect thereof upon the rights of existing security holders, and the vote needed for its approval. If the plan is set forth in a written document, file copies thereof with the Commission in accordance with § 240.14a-6.

(b) Furnish the following information as to each person (other than totally held subsidiaries of the issuer) which is to be merged into the issuer or into or with which the issuer is to be merged or consolidated or the business or assets of which are to be acquired or which is the issuer of securities to be acquired by the issuer in exchange for all or a substantial part of its assets or to be acquired by security holders of the issuer.

(1) Describe briefly the business of such person. Information is to be given regarding pertinent matters such as the nature of the products or services, methods of production, markets, methods of distribution and the sources and supply of raw materials.

(2) State the location and describe the general character of the plants and other important physical properties of such person. The description is to be given from an economic and business standpoint, as distinguished from a legal standpoint.

(3) Furnish a brief statement as to dividends in arrears or defaults in principal or interest in respect of any securities of the issuer or of such person, and as to the effect of the plan thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(c) As to each class of securities of the issuer, or of any person specified in paragraph (b), which is admitted to dealing on a national securities exchange or with respect to which a market otherwise exists, and which will be materially affected by the plan, state the high and low sale prices (or, in the absence of trading in a particular period, the range of the bid and asked prices) for each quarterly period within two years. This information may be omitted if the plan involves merely the liquidation or dissolution of the issuer.

Item 15. Financial statements. (a) If action is to be taken with respect to any matter specified in Item 12, 13, or 14 above, furnish certified financial statements of the issuer and its subsidiaries such as would currently be required in an original application for the registration of securities of the issuer under the act. All schedules other than the schedules of supplementary profit and loss information may be omitted.

(b) If action is to be taken with respect to any matter specified in Item 14 (b), furnish financial statements such as would currently be required in an original application by any person specified therein for registration of securities under the act. Such statements need not be certified and all schedules other than the schedules of supplementary profit and loss information may be omitted. However, such statements may be omitted for (i) a totally-held subsidiary of the issuer which is included in the consolidated statement of the issuer and its subsidiaries, or (ii) a person which is to succeed to the issuer or to the issuer and one or more of its totally-held subsidiaries under such circumstances that Form S-B would be appropriate for registration of securities of such person issued in exchange for listed securities of the issuer.

(c) Notwithstanding paragraphs (a) and (b) above, any or all of such financial statements which are not material for the exercise of prudent judgment in regard to the matter to be acted upon may be omitted if the reasons for such omission are stated. Such financial statements are deemed material to the exercise of prudent judgment in the usual case involving the authorization or issuance of any material amount of senior securities, but are not deemed material in cases involving the authorization or issuance

of common stock, otherwise than in exchange.

(d) The proxy statement may incorporate by reference any financial statements contained in an annual report sent to security holders pursuant to § 240.14a-3 with respect to the same meeting as that to which the proxy statement relates, provided such financial statements substantially meet the requirements of this item.

Item 16. Acquisition or disposition of property. If action is to be taken with respect to the acquisition or disposition of any property, furnished the following information:

(a) Describe briefly the general character and location of the property.

(b) State the nature and amount of consideration to be paid or received by the issuer or any subsidiary. To the extent practicable, outline briefly the facts bearing upon the question of the fairness of the consideration.

(c) State the name and address of the transferor or transferee, as the case may be, and the nature of any material relationship of such person to the issuer or any affiliate of the issuer.

(d) Outline briefly any other material features of the contract or transaction.

Item 17. Restatement of accounts. If action is to be taken with respect to the restatement of any asset, capital, or surplus account of the issuer, furnish the following information:

(a) State the nature of the restatement and the date as of which it is to be effective.

(b) Outline briefly the reasons for the restatement and for the selection of the particular effective date.

(c) State the name and amount of each account (including any reserve accounts) affected by the restatement and the effect of the statement thereon.

(d) To the extent practicable, state whether and the extent, if any, to which, the restatement will, as of the date thereof, alter the amount available for distribution to the holders of equity securities.

Item 18. Action with respect to reports. If action is to be taken with respect to any report of the issuer or of its directors, officers or committees or any minutes of meetings of its stockholders, furnish the following information:

(a) State whether or not such action is to constitute approval or disapproval of any of the matters referred to in such reports or minutes.

(b) Identify each of such matters which it is intended will be approved or disapproved, and furnish the information required by the appropriate item or items of this schedule with respect to each such matter.

Item 19. Matters not required to be submitted. If action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders, state the nature of such matter, the reasons for submitting it to a vote of security holders, the general effect of such submission and the effect of a negative vote on the matter.

Item 20. Amendment of charter by-laws or other documents. If action is to be taken with respect to any amendment of the issuer's charter, by-laws or other documents as to which information is not required above, state briefly the reasons for and general effect of such amendment and the vote needed for its approval.

Item 21. Other proposed action. If action is to be taken with respect to any matter not specifically referred to above, describe briefly the substance of each such matter in substantially the same degree of detail as is required by Items 5 to 20, inclusive, above.

EXEMPTION OF CERTAIN SECURITIES FROM SECTION 15 (a)

§ 240.15a-1 *Exemption of individual notes or bonds secured by lien on real estate from section 15 (a) of the act.* Evidences of indebtedness secured by mortgage, deed of trust or other lien upon real estate or upon leasehold interests therein where the entire mortgage, deed of trust or other lien is transferred with the entire evidence of indebtedness are hereby exempted from the operation of section 15 (a) of the Securities Exchange Act of 1934, as amended (sec. 3 (a) (12) 48 Stat. 882, sec. 3, 49 Stat. 1377; 15 U. S. C. 78c (a) (12) 78o (a)) [Rule X-15A-1]

§ 240.15a-2 *Exemption of certain securities of cooperative apartment houses from section 15 (a)* Shares of a corporation which represent ownership, or entitle the holders thereof to possession and occupancy, of specific apartment units in property owned by such corporations and organized and operated on a cooperative basis are hereby exempted from the operation of section 15(a) of the Securities Exchange Act of 1934, when such shares are sold by or through a real estate broker licensed under the laws of the political subdivision in which the property is located. (Sec. 3 (a) (12) 48 Stat. 882, sec. 3, 49 Stat. 1377· 15 U. S. C. 78c (a) (12) 78o (a)) [Rule X-15A-2]

§ 240.15a-3 *Exemption of securities of international banking organizations from section 15 (a)* Securities of any international banking organization are hereby exempted from the operation of section 15 (a) of the Securities Exchange Act of 1934: *Provided,* (a) The United States is a member of such organization pursuant to treaty or statute, (b) The interest of the broker or dealer purchasing or selling such securities is limited to a commission or concession not in excess of the usual and customary distributors' or sellers' commission or concession, and (c) The broker or dealer purchasing or selling such securities makes a bona fide attempt for a reasonable time to distribute such securities, at no more than the public offering price initially specified in the prospectus filed under the Securities Act of 1933, before any part of the securities purchased by such broker or dealer from the issuer or sold by such broker or dealer for the issuer at a commission or concession is retained by such broker or dealer for his own account or sold or offered to a partner, officer, director or employee of such broker or dealer or to any person controlling, controlled by, or under common control with, such broker or dealer or to any account in which such broker or dealer or any such person has a beneficial interest. (Sec. 3, 48 Stat. 882, sec. 3, 49 Stat. 1377; 15 U. S. C. 78c (a) (12), 78o (a)) [Rule X-15A-3]

REGISTRATION OF BROKERS AND DEALERS

§ 240.15b-1 *Forms for applications for registration of brokers and dealers.* An application for registration of a broker or dealer, pursuant to section 15 (b) (sec. 3, 49 Stat. 1377; 15 U. S. C. 78o (b)) shall be filed on the appropriate form prescribed below·

(a) *Form 3-M.* This form is to be used for applications filed on or after July 1, 1936, for the registration of brokers and dealers pursuant to section 15 (b) of the Securities Exchange Act of 1934, as amended, except applications for which Form 4-M is authorized to be used.

(b) *Form 4-M.* This form is to be used (1) for applications filed by a registered partnership on or after July 1, 1936, pursuant to section 15 (b) of the Securities Exchange Act of 1934, as amended, for the registration of a partnership to be formed as the successor to the applicant by the withdrawal or admission of one or more partners in the applicant; and (2) for applications filed on or after October 10, 1936, pursuant to said section 15 (b) and § 240.15b-4, for the registration of a partnership formed as the successor to a registered partnership which has been dissolved by the death, withdrawal or admission of one or more partners, provided that the application is filed within 30 days after such dissolution.

Provided, however, That any registration statement filed on Form 1-M[1] for the registration of a broker or dealer which was accepted by the Commission on or before July 1, 1936, will, unless the registration became effective on or before May 27, 1936, or unless registration has been refused, suspended, or revoked by order of the Commission, be deemed to have been filed as an application for registration pursuant to section 15 (b) (49 Stat. 1377; 15 U. S. C., 78o (b)), upon the date of receipt by the Commission of a request in writing that such registration statement be so treated. (Sec. 17, 48 Stat. 897, secs. 3, 4, 49 Stat. 1377, 1379, sec. 5, 52 Stat. 1076; 15 U. S. C. 78o (b), 78q (a)) [Rule X-15B-1]

CROSS REFERENCE: For registration statements, see § 240.0-2.

§ 240.15b-2 *Supplemental statements to applications for registration of brokers and dealers.* (a) Promptly after the discovery of any inaccuracy in any application filed on Form 1-M,[1] 3-M or 4-M, or in any adoption filed on Form 5-M or in any supplemental statement filed on Form 2-M[1] or 6-M the inaccuracy shall be reported and corrected by the registrant in a supplemental statement on Form 6-M.

(b) Any change, not previously reported, which renders no longer accurate any information contained or incorporated in any application filed on Form 1-M,[1] 3-M or 4-M or contained or adopted in any adoption filed on Form 5-M, or contained in any supplemental statement filed on Form 2-M[1] or 6-M shall be reported by the registrant in a supplemental statement on Form 6-M within 10 days after the occurrence of such change, *Provided, however* That in the case of any such change which renders no longer accurate information contained in the answer to Item 5, 6, 7, 8, 24, 25 or 27 with respect to addresses, or in the answer to Item 10, 11, 12, 15 (a), 16 or 17, of any application filed on Form 1-M[1] or 3-M as theretofore supplemented, such report need not be filed until the March 1, June 1, September 1 or December 1 next succeeding such change.

(c) The withdrawal or admission of a partner may be reported on Form 6-M, in lieu of Form 4-M, if such withdrawal

[1] Forms 1-M and 2-M have been suspended by Forms 3-M, 4-M, 5-M and 6-M.

or admission does not, as a matter of law, create a new partnership. Such report shall be filed within 10 days after such withdrawal or admission. If the admission of a partner is so reported, information as to such partner shall be furnished in the form and manner prescribed by Items 5 and 19 of Form 3-M. Any changes in other items resulting from the withdrawal or admission of such partner shall be reported in the supplemental statement reporting such withdrawal or admission.

(d) Every report required pursuant to paragraph (a) (b) or (c) shall be filed with the Commission in duplicate. (Sec. 17, 48 Stat. 897, secs. 3, 4, 49 Stat. 1377, 1379, Sec. 5, 52 Stat. 1076; 15 U. S. S. 78o (b) 78g (a))

(e) Within 90 days after the effective date of any amendment to Form 3-M which requires additional information, or within such further period as the Commission, having due regard for the public interest and the protection of investors, may by order specify, such information shall be reported on Form 6-M by each registrant who has filed an application on Form 1-M, 3-M, or 4-M. (Sec. 17, 48 Stat. 897, secs 3, 4, 49 Stat. 1377, 1379, sec. 5, 52 Stat. 1076; 15 U. S. C. 78o (b) 78q (a)) [Rule X-15B-2]

CROSS REFERENCE: For interpretative release applicable to § 240.15b-2, see § 241.3674 of this chapter.

§ 240.15b-3 *Adoption of applications filed by predecessors.* Registration of a broker or dealer pursuant to an application on Form 3-M or 4-M, filed on behalf of such broker or dealer by a predecessor, shall terminate on the forty-fifth day after the effective date thereof unless the successor shall have adopted the application as its own by filing an adoption on Form 5-M at least 5 days prior to such forty-fifth day. [Rule X-15B-3]

§ 240.15b-4 *Registration of successor partnerships.* In the event that a partnership registered as a broker or dealer shall have been dissolved by the death, withdrawal, or admission of one or more partners, the registration of such partnership shall be deemed to remain effective, for a period of 60 days after the dissolution, as the registration of a successor partnership which is continuing the business of the registered partnership, *Provided,* That an application for registration on Form 4-M is filed by the successor partnership within 30 days after such dissolution. [Rule X-15B-4]

§ 240.15b-5 *Registration of fiduciaries.* The registration of a broker or dealer shall be deemed to be the registration of any executor, administrator, guardian, conservator, assignee for the benefit of creditors, receiver, trustee in insolvency or bankruptcy, or other fiduciary, appointed or qualified by order, judgment, or decree of a court of competent jurisdiction to continue the business of such registered broker or dealer, *Provided,* That such fiduciary files with the Commission, within 30 days after entering upon the performance of his duties, a statement setting forth as to such fiduciary substantially the information required by Form 3-M. (Sec. 17, 48 Stat. 897, Secs. 3, 4, 49 Stat. 1377, 1379, sec. 5, 52 Stat. 1076; 15 U. S. C. 78o (b), 78q (a)) [Rule X-15B-5]

§ 240.15b-6 *Withdrawal from registration.* If a notice to withdraw from registration is filed by a broker or dealer pursuant to section 15 (b) it shall become effective on the thirtieth day after the filing thereof with the Commission, unless prior to its effective date the Commission institutes a proceeding pursuant to section 15 (b) to revoke or suspend the registration of such broker or dealer or to impose terms and conditions upon such withdrawal. If the Commission institutes such a proceeding, or if a notice to withdraw from registration is filed with the Commission at any time subsequent to the date of the issuance of a Commission order instituting proceedings pursuant to section 15 (b) to revoke or suspend the registration of the broker or dealer filing such notice, and during the pendency of such a proceeding, the notice to withdraw shall not become effective except at such time and upon such terms and conditions as the Commission deems necessary or appropriate in the public interest or for the protection of investors. (Sec. 17, 48 Stat. 897, secs. 3, 4, 49 Stat. 1377, 1379, sec. 5, 52 Stat. 1076; 15 U. S. C. 78o (b), 78q (a)) [Rule X-15B-6]

RULES RELATING TO OVER-THE-COUNTER MARKETS

§ 240.15c1-1 *Definitions.* As used in any rule adopted pursuant to section 15 (c) (1) of the act (sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1))

(a) The term "customer" shall not include a broker or dealer.

(b) The term "the completion of the transaction" means:

(1) In the case of a customer who purchases a security through or from a broker or dealer, except as provided in subparagraph (2) of this paragraph, the time when such customer pays the broker or dealer any part of the purchase price, or, if payment is effected by a bookkeeping entry, the time when such bookkeeping entry is made by the broker or dealer for any part of the purchase price;

(2) In the case of a customer who purchases a security through or from a broker or dealer and who makes payment therefor prior to the time when payment is requested or notification is given that payment is due, the time when such broker or dealer delivers the security to or into the account of such customer;

(3) In the case of a customer who sells a security through or to a broker or dealer, except as provided in subparagraph (4) of this paragraph, if the security is not in the custody of the broker or dealer at the time of sale, the time when the security is delivered to the broker or dealer, and if the security is in the custody of the broker or dealer at the time of sale, the time when the broker or dealer transfers the security from the account of such customer;

(4) In the case of a customer who sells a security through or to a broker or dealer and who delivers such security to such broker or dealer prior to the time when delivery is requested or notification is given that delivery is due, the time when such broker or dealer makes payment to or into the account of such customer. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1)) [Rule X-15C1-1]

CROSS REFERENCES: For additional definitions, see § 240.0-1; for interpretative release applicable to § 240.15c1-1 (a), see § 241.1462 of this chapter.

§ 240.15c1-2 *Fraud and misrepresentation.* (a) The term "manipulative, deceptive, or other fraudulent device or contrivance", as used in section 15 (c) (1) of the act (sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1)), is hereby defined to include any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

(b) The term "manipulative, deceptive, or other fraudulent device or contrivance" as used in section 15 (c) (1) of the act, is hereby defined to include any untrue statement of a material fact and any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, which statement or omission is made with knowledge or reasonable grounds to believe that it is untrue or misleading.

(c) The scope of this section shall not be limited by any specific definitions of the term "manipulative, deceptive, or other fraudulent device or contrivance" contained in other rules adopted pursuant to section 15 (c) (1) of the act. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1)) [Rule X-15c1-2]

CROSS REFERENCE: For regulation prohibiting employment of manipulative and deceptive devices as such term is used in section 15 of the act, by any broker or dealer, see § 240.10b-3.

§ 240.15c1-3 *Misrepresentation by brokers and dealers as to registration.* The term "manipulative, deceptive, or other fraudulent device or contrivance", as used in section 15 (c) (1) of the act, is hereby defined to include any representation by a broker or dealer that the registration of a broker or dealer, pursuant to section 15 (b) of the act, or the failure of the Commission to deny or revoke such registration, indicates in any way that the Commission has passed upon or approved the financial standing, business, or conduct of such registered broker or dealer or the merits of any security or any transaction or transactions therein. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1)) [Rule X-15c1-3]

§ 240.15c1-4 *Confirmation of transactions.* The term "manipulative, deceptive, or other fradulent device or contrivance," as used in section 15 (c) (1) of the act is hereby defined to include any act of any broker or dealer designed to effect with or for the account of a customer any transaction in, or to induce the purchase or sale by such customer of, any security (other than United States Tax Savings Notes, United States Defense Savings Stamps, or United States Defense Savings Bonds, Series E, F and G) unless such broker or dealer, at or before the completion of each such transaction, gives or sends to such customer written notification disclosing (a) whether he is acting as a broker for such customer, as a

dealer for his own account, as a broker for some other person, or as a broker for both such customer and some other person; and (b) in any case in which he is acting as a broker for such customer or for both such customer and some other person, either the name of the person from whom the security was purchased or to whom it was sold for such customer and the date and time when such transaction took place or the fact that such information will be furnished upon the request of such customer, and the source and amount of any commission or other remuneration received or to be received by him in connection with the transaction. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1)) [Rule X-15C1-4]

§ 240.15c1-5 *Disclosure of control.* The term "manipulative, deceptive, or other fraudulent device or contrivance", as used in section 15 (c) (1) of the act, is hereby defined to include any act of any broker or dealer controlled by, controlling, or under common control with, the issuer of any security, designed to effect with or for the account of a customer any transaction in, or to induce the purchase or sale by such customer of, such security unless such broker or dealer, before entering into any contract with or for such customer for the purchase or sale of such security, discloses to such customer the existence of such control, and unless such disclosure, if not made in writing, is supplemented by the giving or sending of written disclosure at or before the completion of the transaction. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1) [Rule X-15C1-5]

§ 240.15c1-6 *Disclosure of interest in distributions.* The term "manipulative, deceptive, or other fraudulent device or contrivance," as used in section 15 (c) (1) of the act, is hereby defined to include any act of any broker who is acting for a customer or for both such customer and some other person, or of any dealer who receives or has promise of receiving a fee from a customer for advising such customer with respect to securities, designed to effect with or for the account of such customer any transaction in, or to induce the purchase or sale by such customer of, any security in the primary or secondary distribution of which such broker or dealer is participating or is otherwise financially interested unless such broker or dealer, at or before the completion of each such transaction gives or sends to such customer written notification of the existence of such participation or interest. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1)) [Rule X-15c1-6]

CROSS REFERENCE: For interpretative release applicable to § 240.15c1-6, see § 241.1411 of this chapter.

§ 240.15c1-7 *Discretionary accounts.* (a) The term "manipulative, deceptive, or other fraudulent device or contrivance" as used in section 15 (c) of the act, is hereby defined to include any act of any broker or dealer designed to effect with or for any customer's account in respect to which such broker or dealer or his agent or employee is vested with any discretionary power any transactions of purchase or sale which are excessive in size or frequency in view of the financial resources and character of such account.

(b) The term "manipulative, deceptive, or other fraudulent device or contrivance" as used in section 15 (c) (1) of the act, is hereby defined to include any act of any broker or dealer designed to effect with or for any customer's account in respect to which such broker or dealer or his agent or employee is vested with any discretionary power any transaction of purchase or sale unless immediately after effecting such transaction such broker or dealer makes a record of such transaction which record includes the name of such customer, the name, amount and price of the security, and the date and time when such transaction took place. [Rule X-15C1-7]

§ 240.15c1-8 *Sales at the market.* The term "manipulative, deceptive, or other fraudulent device or contrivance", as used in section 15 (c) (1) of the act, is hereby defined to include any representation made to a customer by a broker or dealer who is participating or otherwise financially interested in the primary or secondary distribution of any security which is not admitted to trading on a national securities exchange that such security is being offered to such customer "at the market" or at price related to the market price unless such broker or dealer knows or has reasonable grounds to believe that a market for such security exists other than that made, created, or controlled by him, or by any person for whom he is acting or with whom he is associated in such distribution, or by any person controlled by, controlling or under common control with him. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1) [Rule X-15C1-8]

§ 240.15c1-9 *Use of pro forma balance sheets.* The term "manipulative, deceptive, or other fraudulent device or contrivance" as used in section 15 (c) (1) of the act, is hereby defined to include the use of financial statements purporting to give effect to the receipt and application of any part of the proceeds from the sale or exchange of securities, unless the assumptions upon which each such financial statement is based are clearly set forth as part of the caption to each such statement in type at least as large as that used generally in the body of the statement. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (1)) [Rule X-15C1-9]

§ 240.15c2-1 *Hypothecation of customers' securities*—(a) *General provisions.* The term "fraudulent, deceptive, or manipulative act or practice" as used in section 15 (c) (2) of the act, is hereby defined to include the direct or indirect hypothecation by a broker or dealer, or his arranging for or permitting, directly or indirectly, the continued hypothecation of any securities carried for the account of any customer under circumstances:

(1) That will permit the commingling of securities carried for the account of any such customer with securities carried for the account of any other customer, without first obtaining the written consent of each such customer to such hypothecation;

(2) That will permit such securities to be commingled with securities carried for the account of any person other than a bona fide customer of such broker or dealer under a lien for a loan made to such broker or dealer; or

(3) That will permit securities carried for the account of customers to be hypothecated, or subjected to any lien or liens or claim or claims of the pledgee or pledgees, for a sum which exceeds the aggregate indebtedness of all customers in respect of securities carried for their accounts; except that this clause shall not be deemed to be violated by reason of an excess arising on any day through the reduction of the aggregate indebtedness of customers on such day, provided that funds or securities in an amount sufficient to eliminate such excess are paid or placed in transfer to pledgees for the purpose of reducing the sum of the liens or claims to which securities carried for the account of customers are subject as promptly as practicable after such reduction occurs, but before the lapse of one half hour after the commencement of banking hours on the next banking day at the place where the largest principal amount of loans of such broker or dealer are payable and, in any event, before such broker or dealer on such day has obtained or increased any bany loan collateralized by securities carried for the account of customers.

(b) *Definitions.* For the purposes of this section:

(1) The term "customer" shall not be deemed to include any general or special partner or any director or officer of such broker or dealer, or any participant, as such, in any joint, group or syndicate account with such broker or dealer or with any partner, officer or director thereof;

(2) The term "securities carried for the account of any customer" shall be deemed to mean:

(i) Securities received by or on behalf of such broker or dealer for the account of any customer;

(ii) Securities sold and appropriated by such broker or dealer to a customer, except that if such securities were subject to a lien when appropriated to a customer they shall not be deemed to be "securities carried for the account of any customer" pending their release from such lien as promptly as practicable;

(iii) Securities sold, but not appropriated, by such broker or dealer to a customer who has made any payment therefor, to the extent that such broker or dealer owns and has received delivery of securities of like kind, except that if such securities were subject to a lien when such payment was made they shall not be deemed to be "securities carried for the account of any customer" pending their release from such lien as promptly as practicable;

(3) "Aggregate indebtedness" shall not be deemed to be reduced by reason of uncollected items. In computing aggregate indebtedness, related guaranteed and guarantor accounts shall be treated as a single account and considered on a consolidated basis, and balances in accounts carrying both long and short positions shall be adjusted by treating the market value of the securities required to cover such short posi-

tions as though such market value were a debit; and

(4) In computing the sum of the liens or claims to which securities carried for the account of customers of a broker or dealer are subject, any rehypothecation of such securities by another broker or dealer who is subject to this section or to § 240.8c-1 shall be disregarded.

(c) *Exemption for cash accounts.* The provisions of paragraph (a) (1) of this section shall not apply to any hypothecation of securities carried for the account of a customer in a special cash account within the meaning of 12 CFR 220.4 (c) *Provided,* That at or before the completion of the transaction of purchase of such securities for, or of sale of such securities to, such customer, written notice is given or sent to such customer disclosing that such securities are or may be hypothecated under circumstances which will permit the commingling thereof with securities carried for the account of other customers. The term "the completion of the transaction" shall have the meaning given to such term by § 240.15c1-1 (b)

(d) *Exemption for clearing house liens.* The provisions of paragraphs (a) (2) (a) (3) and (f) of this section shall not apply to any lien or claim of the clearing corporation, or similar department or association, of a national securities exchange, for a loan made and to be repaid on the same calendar day, which is incidental to the clearing of transactions in securities or loans through such corporation, department or association: *Provided, however* That for the purpose of paragraph (a) (3) of this section, "aggregate indebtedness of all customers in respect of securities carried for their accounts" shall not include indebtedness in respect of any securities subject to any lien or claim exempted by this paragraph.

(e) *Exemption for certain liens on securities of noncustomers.* The provisions of paragraph (a) (2) of this section shall not be deemed to prevent such broker or dealer from permitting securities not carried for the account of a customer to be subjected (1) to a lien for a loan made against securities carried for the account of customers, or (2) to a lien for a loan made and to be repaid on the same calendar day. For the purpose of this exemption, a loan shall be deemed to be "made against securities carried for the account of customers" if only securities carried for the account of customers are used to obtain or to increase such loan or as substitutes for other securities carried for the account of customers.

(f) *Notice and certification requirements.* No person subject to this section shall hypothecate any security carried for the account of a customer unless, at or prior to the time of each such hypothecation, he gives written notice to the pledgee that the security pledged is carried for the account of a customer and that such hypothecation does not contravene any provision of this section, except that in the case of an omnibus account the broker or dealer for whom such account is carried may furnish a signed statement to the person carrying such account that all securities carried therein by such broker or dealer will be securities carried for the account of his customers and that the hypothecation thereof by such broker or dealer will not contravene any provision of this section. The provisions of this paragraph shall not apply to any hypothecation of securities under any lien or claim of a pledgee securing a loan made and to be repaid on the same calendar day. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (2)) [Rule X-15C2-1]

CROSS REFERENCE: For interpretative releases applicable to § 240.15c2-1, see §§ 241.2690 and 241.2822 of this chapter.

§ 240.15c2-2 *Prohibition of trading during the suspension of trading on a national securities exchange.* The term "fraudulent, deceptive, or manipulative act or practice," as used in section 15 (c) (2) of the act, is hereby defined to include any act of any broker or dealer designed to effect with or for the account of a customer any transaction in, or to induce the purchase or sale by such customer of, any security during the period between (a) a public announcement by the Commission that it has suspended trading in such security on a national securities exchange pursuant to section 19 (a) (4) of the act in order to prevent fraudulent, deceptive, or manipulative acts or practices and (b) the expiration or lifting of such suspension. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (2)) [Rule X-15C2-2]

§ 240.15c3-1 *Ratio of aggregate indebtedness to net capital*—(a) *General provision.* No broker or dealer shall permit his aggregate indebtedness to all other persons to exceed 2,000 per centum of his net capital.

(b) *Exemptions.* The provisions of this section shall not apply to:

(1) Any broker or dealer who (i) does not extend credit to any person to whom he sells or for whom he purchases any securities, and (ii) does not carry money or securities for the account of customers or owe money or securities to customers, except as an incident to transactions with or for customers which are promptly consummated by payment or delivery· *Provided,* That credit shall not be deemed to be extended by reason of a bona fide delayed delivery of any such security against full payment of the entire purchase price thereof upon such delivery within thirty-five (35) days after such purchase; or

(2) Any member of the Boston Stock Exchange, Chicago Stock Exchange, Cleveland Stock Exchange, Los Angeles Stock Exchange, New York Curb Exchange, New York Stock Exchange, Pittsburgh Stock Exchange, Salt Lake Stock Exchange or San Francisco Stock Exchange, all of whose rules and settled practices are deemed by the Commission to impose requirements more comprehensive than the requirements of this section: *Provided,* That the exemption as to the members of any exchange may be suspended or withdrawn by the Commission at any time, by sending at least ten (10) days' written notice to such exchange, if it appears to the Commission necessary or appropriate in the public interest or for the protection of investors so to do.

(c) *Definitions.* For the purpose of this section:

(1) The term "aggregate indebtedness" shall be deemed to mean the total money liabilities of a broker or dealer arising in connection with any transaction whatsoever, including, among other things, money borrowed, money payable against securities loaned and securities "failed to receive," customers' free credit balances, credit balances in customers' accounts having short positions in securities, and equities in customers' commodities futures accounts, but excluding

(i) Indebtedness secured by exempted securities;

(ii) Amounts segregated in accordance with the provisions of the Commodity Exchange Act and the rules and regulations thereunder; and

(iii) Liabilities on open contractual commitments;

(2) The term "net capital" shall be deemed to mean the net worth of a broker or dealer (that is, the excess of total assets over total liabilities), adjusted by

(i) Adding unrealized profits (or deducting unrealized losses) in the accounts of the broker or dealer and, if such broker or dealer is a partnership, adding equities (or deducting deficits) in accounts of partners;

(ii) Deducting fixed assets and assets which cannot be readily converted into cash, including, among other things, real estate, less any indebtedness secured thereby; furniture and fixtures; exchange memberships; prepaid rent, insurance and expenses; good will; organization expenses; unsecured advances and loans to partners, officers, directors, employees, and salesmen; customers' unsecured notes and accounts; and deficits in customers' accounts, except in bona fide cash accounts within the meaning of 12 CFR 220.4;

(iii) Deducting 10% of the market value of securities long and short (except exempted securities) in the capital, proprietary and other accounts of the broker or dealer and, if such broker or dealer is a partnership, in accounts of partners;

(iv) Deducting, in the case of a broker or dealer who has open contractual commitments, 10% of the value (which shall be the market value whenever there is a market) of each net long and each net short position contemplated by any existing contractual commitment in the capital, proprietary and other accounts of the broker or dealer and, if such broker or dealer is a partnership, in accounts of partners, except as to exempted securities, and except that the deduction with respect to any individual commitment shall be reduced by the unrealized profit (or increased by the unrealized loss) in such commitment; and

(v) Deducting, in the case of a broker or dealer who is a sole proprietor, the excess of (*a*) liabilities which have not been incurred in the course of business as a broker or dealer over (*b*) assets not used in the business, but only if such excess would materially affect net worth;

(3) The term "exempted securities" shall mean those securities specifically defined as exempted securities in section

3 (a) (12) of the Securities Exchange Act of 1934;

(4) The term "partner," where the broker or dealer is a partnership, shall mean only a partner who has agreed in writing that the equity in any accounts he may maintain with such partnership shall be included as partnership property;

(5) The term "contractual commitments" shall include underwriting, when-issued and delayed delivery contracts, endorsements of puts and calls, commitments in foreign currencies, and spot (cash) commodities contracts, but shall not include uncleared regular way purchases and sales of securities and contracts in commodities futures; a series of contracts of purchase or sale of the same security conditioned, if at all, only upon issuance may be treated as an individual commitment; and

(6) The term "customer" shall include every person except a partner as here defined. (Sec. 2, 52 Stat. 1075; 15 U. S. C. 78o (c) (2))

REPORTS OF REGISTRANTS UNDER THE SECURITIES ACT OF 1933

§ 240.15d-1 *Annual reports of registrants under Securities Act of 1933.* Each issuer having securities registered under the Securities Act of 1933 and having a duty to file supplementary and periodic information, documents, and reports pursuant to section 15 (d) of the Securities Exchange Act of 1934 (49 Stat. 1379; 15 U. S. C. 78o (d)) shall file an annual report, on the appropriate form prescribed therefor, not more than 120 days after the close of each fiscal year ending after the close of the last full fiscal year for which financial statements of such issuer were filed in the registration statement, or at such other time as shall be prescribed in the instruction book applicable to the particular form; *Provided, however* That the duty to file annual reports pursuant to this section shall be automatically suspended if and so long as an issuer, by reason of the listing of any of its securities on an exchange exempted from registration as a national securities exchange, is required to file information, documents, and reports substantially equivalent to such as would be required under section 13 (48 Stat. 894; 15 U. S. C. 78m) if securities of such issuer were listed and registered on a national securities exchange. In case the registrant finds it impracticable to file the report at such prescribed time, it may file with the Commission an application for an extension of time to a specified date within 60 days after the prescribed time. Such application shall state the grounds of impracticability and shall contain an agreement to file the report on or before such specified date. The application shall be deemed granted unless the Commission within 10 days after receipt thereof shall enter an order denying the application as being unreasonable and unnecessary under the circumstances. (Sec. 3, 49 Stat. 1373; 15 U. S. C. 78o (d)) [Rule 4-15D-1]

CROSS REFERENCE: For regulations under the Securities Act of 1933 relating to duty to file supplementary and periodic information, documents, and reports, see § 230.730.

§ 240.15d-2 *Forms for annual reports of registrants under Securities Act of 1933.* The annual reports required by § 240.15d-1 shall be filed on the appropriate form prescribed in paragraphs (a)-(d) of this section:

(a) *Form 1-MD, general form.* This form is to be used for the annual reports, pursuant to section 15 (d) of the Securities Exchange Act of 1934, of all issuers except those for which another form is specifically prescribed.

(b) *Form 2-MD for investment trusts having securities registered on Form C-1.* This form is to be used for annual reports pursuant to section 15 (d) of the Securities Exchange Act of 1934 relating to securities of unincorporated investment trusts of the fixed or restricted management type having a depositor or sponsor but not having a board of directors or persons performing similar functions, except that this form shall not be used by any trust for which Form N-30A-1, N-30A-2, or N-30A-3 is prescribed.

(c) *Form 3-MD for voting trust certificates.* This form is to be used for annual reports, pursuant to section 15 (d) of the Securities Exchange Act of 1934 relating to voting trust certificates.

(d) *Form 4-MD for certificates of deposit.* This form is to be used for annual reports, pursuant to section 15 (d) of the Securities Exchange Act of 1934 relating to certificates of deposit issued by a Committee.

(e) *Form N-30A-1 for management investment companies.* This form shall be used for annual reports pursuant to section 15 (d) of the Securities Exchange Act of 1934 of management investment companies registered under the Investment Company Act of 1940, except those which issue periodic payment plan certificates.

(f) *Form N-30A-2 for unit investment trusts currently issuing securities.* This form shall be used for annual reports pursuant to section 15 (d) of the Securities Exchange Act of 1934 of unit investment trusts, registered under the Investment Company Act of 1940, which are currently issuing securities, including unit investment trusts which are issuers of periodic payment plan certificates.

(g) *Form N-30A-3 for unincorporated management investment companies currently issuing periodic payment plan certificates.* This form shall be used for annual reports pursuant to section 15 (d) of the Securities Exchange Act of 1934 for unincorporated management investment companies, registered under the Investment Company Act of 1940, currently issuing periodic payment plan certificates. (Sec. 3, 49 Stat. 1379, 15 U. S. C. 78o (d)) [Rule X15D-2]

§ 240.15d-3 *Annual report for period for which financial statements are furnished in new registration statement.* Notwithstanding the provisions of § 240.-15d-2, a registrant which files with the Commission, within the period prescribed in § 240.15d-1 for filing an annual report for a particular year, a registration statement on Form A-1, A-2, C-1, or E-1 containing financial statements as of the dates and for the periods required under the appropriate form of annual report, may incorporate by reference all information and documents contained in such registration statement, in lieu of furnishing the information called for by the appropriate form of annual report. In such case the registrant shall file with the Commission in triplicate, within the period prescribed in § 240.15d-1 for filing the annual report, a statement in approximately the following form:

Pursuant to Rule X-15D-3, the registrant, _____, hereby incorporates by reference in this, its annual report pursuant to section 15 (d) of the Securities Exchange Act of 1934, all information and documents contained in the registration statement on Form _____, filed by it on _____ 19___, as amended under dates of _____.

Such statement shall be filed under cover of the facing sheet of the appropriate form for annual report. At least one copy of the statement shall be signed in the form prescribed in the appropriate form of annual report. (Sec. 3, 49 Stat. 1379; 15 U. S. C. 78o (d)) [Rule X-15D-3]

§ 240.15d-4 *Companies registered under the Investment Company Act of 1940.* (a) Notwithstanding §§ 240.15d-1 and 240.15d-2 any registrant for which form 1-MD or 2-MD is appropriate for annual reports pursuant to section 15 (d) of the act (48 Stat. 895, 49 Stat. 1377; 15 U. S. C. 78o) and which has filed a registration statement on the appropriate form prescribed under section 8 (b) of the Investment Company Act of 1940 (54 Stat. 803; 15 U. S. C. 80a-8) may file copies of such registration statement as its annual report pursuant to said section 15 (d) provided the registration statement covers the period that would be covered by a report on form 1-MD or 2-MD, as the case may be, and provided such report is filed within the period prescribed for filing an annual report pursuant to section 15 (d), or on or before July 15, 1941, whichever is later. This section shall not apply, however, to any company which has filed a registration statement which itself consists in whole or in part of copies of information and documents filed under the Securities Act of 1933 (48 Stat. 74, as amended; 15 U. S. C. 78a, et seq.) or the Securities Exchange Act of 1934 (48 Stat. 881, as amended; 15 U. S. C. 78a, et seq.) and which is filed pursuant to rules and regulations under section 8 (c) of the Investment Company Act of 1940 (54 Stat. 803; 15 U. S. C. 80a-8)

(b) Every report filed pursuant to this rule shall be filed under cover of the facing sheet of form 1-MD or 2-MD, whichever is appropriate. The following statement shall appear on the facing sheet of the annual report or on the page immediately following the facing sheet:

This annual report filed pursuant to Rule X-15D-4 consists of information and documents contained in the registration statement on Form _____ filed by the registrant on _____, 19____, pursuant to section 8 of the Investment Company Act of 1940.

(c) Any exhibits included in the registration statement which are not required by form 1-MD or 2-MD, as the case may be, for an annual report thereon may be omitted from the annual report.

(d) At least one copy of the registration statement filed with the Commission shall be signed. (Sec. 3, 49 Stat. 1379; 15 U. S. C. 78o (a)) [Rule X-15D-4]

§ 240.15d-5 *Quarterly reports of investment companies.* Every investment company registered under the Investment Company Act of 1940 (54 Stat. 789 et seq., 15 U. S. C. 80a-1 to 53) which is required to file supplementary information, documents and reports pursuant to section 15 (d) of the Securities Exchange Act of 1934, and for which a form is prescribed below, shall file a quarterly report for each fiscal quarter for which it is required to file a quarterly report pursuant to section 30 (b) (1) of the Investment Company Act of 1940 (54 Stat. 836; 15 U. S. C. 80a-30).

Form N-30B-1 for management investment companies. This form shall be used for quarterly reports pursuant to section 15 (d) of the Securities Exchange Act of 1934 of management investment companies except those which issue periodic payment plan certificates. (Sec. 3, 49 Stat. 1379; 15 U. S. C. 78o (d)) [Rule X-15D-5]

§ 240.15d-6 *Incorporation of information contained in a prospectus.* Any registrant which has filed with the Commission pursuant to § 230.800 of this chapter, copies of a prospectus meeting the requirements of section 10 (b) (1) of that act (48 Stat. 81; 906; 15 U. S. C. 77j) may incorporate by reference in its annual report pursuant to section 15 (d) of the Securities Exchange Act of 1934 any information, including financial statements, contained in the prospectus, provided a copy of the prospectus is filed as an exhibit to the annual report. (Sec. 3, 49 Stat. 1379; 15 U. S. C. 78o (d)) [Rule X-15D-6]

REGISTRATION OF NATIONAL AND AFFILIATED SECURITIES ASSOCIATIONS

§ 240.15aa-1 *Registration of a national or an affiliated securities association.* Any application for registration of an association as a national, or as an affiliated, securities association shall be made in triplicate on Form X-15AA-1 accompanied by three copies of the exhibits prescribed by the Commission to be filed in connection therewith. (Sec. 15A, 52 Stat. 1070; 15 U. S. C. 78o-3) [Rule X-15AA-1]

§ 240.15aj-1 *Amendments and supplements to registration statements of securities associations.* Every association applying for registration or registered as a national securities association or as an affiliated securities association shall keep its registration statement up-to-date in the manner prescribed below:

(a) *Amendments.* Promptly after the discovery of any inaccuracy in the registration statement or in any amendment or supplement thereto the association shall file with the Commission an amendment correcting such inaccuracy.

(b) *Current supplements.* Promptly after any change which renders no longer accurate any information contained or incorporated in the registration statement or in any amendment or supplement thereto the association shall file with the Commission a current supplement setting forth such change, except that:

(1) Supplements setting forth changes in the information called for in Exhibits C and D need not be filed until 10 days after the calendar month in which the changes occur, and

(2) No current supplements need be filed with respect to changes in the information called for in Exhibit B.

(3) If changes in the information called for in items (1) and (2) of Exhibits C and D are reported in any record which is published at least once a month by the association and promptly filed in triplicate with the Commission, no current supplements need be filed with respect to Exhibits C and D.

(c) *Annual supplements.* (1) Promptly after March 1 of each year, the association shall file with the Commission an annual consolidated supplement as of such date on Form X-15AJ-2.

(2) Promptly after the close of each fiscal year of the association, it shall file with the Commission a supplement setting forth its balance sheet as of the close of such year and its income and expense statement for such year.

(d) *Filing, dating, etc.* Each amendment or supplement shall be filed in triplicate, at least one of which must be signed and attested, in the same manner as required in the case of the original registration statement, and must conform to the requirements of § 240.0-2 and Form X-15AJ-1, except that the annual consolidated supplement shall be filed on Form X-15AJ-2. All amendments and supplements shall be dated and numbered in order of filing. One amendment or supplement may include any number of changes. In addition to the formal filing of amendments and supplements above described, each association shall send to the Commission three copies of any notices, reports, circulars, loose-leaf insertions, riders, new additions, lists or other records of changes covered by amendments or supplements when, as and if such records are made available to members of the association. (Sec. 15A, 52 Stat. 1070; 15 U. S. C. 78o-3) [Rule X-15AJ-1]

EXEMPTION OF CERTAIN SECURITIES FROM SECTION 15A OF THE ACT

§ 240.15am-1 *Exemption of securities of international banking organizations from section 15A.* Securities of any international banking organization are hereby exempted from the operation of section 15A of the Securities Exchange Act of 1934: *Provided,* (a) The United States is a member of such organization pursuant to treaty or statute, (b) The interest of the broker or dealer purchasing or selling such securities is limited to a commission or concession not in excess of the usual and customary distributors' or sellers' commission or concession, and (c) The broker or dealer purchasing or selling such securities makes a bona fide attempt for a reasonable time to distribute such securities, at no more than the public offering price initially specified in the prospectus filed under the Securities Act of 1933, before any part of the securities purchased by such broker or dealer from the issuer or sold by such broker or dealer for the issuer at a commission or concession is retained by such broker or dealer for his own account or sold or offered to a partner, officer, director or employee of such broker or dealer or to any person controlling, controlled by, or under common control with, such broker or dealer or to any account in which such broker or dealer or any such person has a beneficial interest. (Secs. 3 (a) (12) 48 Stat. 882, 15A (m), 52 Stat. 1070; 15 U. S. C. 78c (a) (12), 78o-3 (m)) [Rule X-15AM-1]

REPORTS OF DIRECTORS, OFFICERS, AND PRINCIPAL STOCKHOLDERS

§ 240.16a-1 *Reports under section 16 (a).* (a) None of the reports provided for in section 16 (a) of the act (48 Stat. 896; 15 U. S. C. 78p (a)) need be made except as provided in this section.

(b) *Rule for the use of Form 4.* Every person who at any time during any month has been directly or indirectly the beneficial owner of more than 10 percent of any class of any equity security (other than an exempted security) which is listed on a national securities exchange, or a director or an officer of the issuer of such security, shall, if there has been any change during such month in his ownership of any equity security of such issuer, whether registered or not, file with each exchange on which any equity security of the issuer is listed and registered a statement on Form 4 (and a single duplicate original thereof with the Commission) indicating his ownership at the close of the calendar month and such changes in his ownership as have occurred during such calendar month. Such statements must be received by the Commission and the exchange on or before the tenth day of the month following that which they cover.

(c) *Rule for the use of Form 5.* In the case of an equity security (other than an exempted security) which is listed subsequent to February 15, 1935 on a national securities exchange, every person who at the time such registration becomes effective is directly or indirectly the beneficial owner of more than 10 percent of any class of such security or a director or an officer of the issuer of such security, shall file with each exchange on which any equity security of the issuer is listed and registered a statement on Form 5 (and a single duplicate original thereof with the Commission) of the amount of all equity securities of such issuer, whether registered or not, so beneficially owned by him at the time such registration became effective. Such statement must be received by the Commission and the exchange on or before the tenth day of the following calendar month. If such person files a statement pursuant to paragraph (b) of this section for the same calendar month in respect of the same securities, he need not file an additional statement pursuant to this paragraph.

(d) *Rule for the use of Form 6.* Every person who becomes directly or indirectly the beneficial owner of more than 10 percent of any class of any equity security (other than an exempted security), which is listed on a national securities exchange, or becomes a director or an officer of the issuer of such

security, shall file with each exchange of which any equity security of the issuer is listed and registered a statement on Form 6 (and a single duplicate original thereof with the Commission) of the amount of all equity securities of such issuer, whether registered or not, so beneficially owned by him immediately after becoming such beneficial owner, director or officer. Such statement must be received by the Commission and the exchange on or before the tenth day following the day on which such person became such beneficial owner, director, or officer. Such person need not file the statement required by this paragraph, if prior to such tenth day and during the calendar month in which he has become such beneficial owner, director, or officer, there has been a change in his beneficial ownership which will require him to file a statement pursuant to paragraph (b) of this section with respect to the same securities.

(e) *Non-residence or absence from United States.* With respect to any officer, director, or beneficial owner of more than 10 percent of any class of registered equity security, who is not resident within any of the 48 States of the United States or the District of Columbia, or is physically absent therefrom at the time when reports are required, reports shall, for the purpose of the other provisions of this section be considered to have been properly made when they are placed in the mails.

(f) *Securities listed on several national exchanges; one to be designated for filing reports.* Notwithstanding the provisions of the preceding paragraphs of this section, any issuer which has equity securities listed on more than one national securities exchange may designate one such exchange as the only exchange with which reports pursuant to this section need be filed. Such designation may be made by filing a written statement of designation with the Commission and with each national securities exchange on which any equity security of the issuer is listed. After the filing of such statement the securities of such issuer shall be exempted with respect to the filing of reports pursuant to this section with any exchange other than the designated exchange.

(g) *Additional statements.* Notwithstanding the provisions of the preceding paragraphs of this section, if a person has filed a statement of his beneficial ownership on Form 4, Form 5 or Form 6 and has reported all subsequent changes in his beneficial ownership with respect to all equity securities of the same issuer, such person need not file an additional statement pursuant to paragraph (c) or (d) of this section. (Sec. 16 (a) 48 Stat. 896; 15 U. S. C. 78p (a)) [Rule X-16A-1]

CROSS REFERENCE: For manner of reporting holdings and changes in ownership, see § 240.16a-3.

§ 240.16a-2 *Ownership of more than 10 percent of an equity security.* In determining, for the purpose of § 240.16a-1, whether a person is the beneficial owner, directly or indirectly, of more than 10 percent of any class of any listed equity security, such class shall be deemed to consist of the amount of such class which has been issued, regardless of whether any part of such amount is not listed or registered or is held by or for the account of the issuer; except that for the purpose of determining the percentage of ownership of voting trust certificates or certificates of deposit for equity securities, the class of voting trust certificates or certificates of deposit shall be deemed to consist of the entire amount of voting trust certificates or certificates of deposit issuable in respect of the class of equity securities which may be deposited under the voting trust agreement or deposit agreement in question, whether or not all of such class has been so deposited. (Sec. 16 (a) 48 Stat. 896; 15 U. S. C. 78p (a)) [Rule X-16A-2]

§ 240.16a-3 *Manner of reporting holdings and changes in ownership under § 240.16a-1.* (a) A person filing a report pursuant to § 240.16a-1 otherwise than as the direct beneficial owner of any equity security shall specify the nature of his beneficial ownership of such security.

(b) A partner who is required under § 240.16a-1 to report in respect of any equity security owned by the partnership may include in his report the entire amount of such equity security owned by the partnership and state that he has an interest in such equity security by reason of his membership in the partnership, without disclosing the extent of such interest; or such partner may file a report only as to that amount of such equity security which represents his proportionate interest in the partnership, indicating that the report covers only such interest.

(c) Reports filed pursuant to § 240.16a-1 may contain any relevant explanatory matter.

(d) A person filing a report pursuant to § 240.16a-1 may expressly declare therein that such filing shall not be construed as an admission that the person filing such report is, for the purposes of section 16 of the act, the beneficial owner of any equity security covered by the report. (Sec. 16 (a) 48 Stat. 896; 15 U. S. C. 78p (a)) [Rule X-16A-3]

§ 240.16a-4 *Exemptions from sections 16 (a) and 16 (b)* The following securities shall be exempted securities for the purposes of section 16 (a) and 16 (b) of the act (48 Stat. 896; 15 U. S. C. 78p (a) (b))

(a) Securities held in the estate of a deceased person during a period of 2 years following the appointment and qualification of the executor or administrator.

(b) Securities held by a guardian or by a committee for an incompetent.

(c) Securities held by a receiver, trustee in bankruptcy, assignee for the benefit of creditors, conservator, liquidating agent, or other similar person duly authorized by law to administer the estate or assets of another person.

(d) Securities reacquired by or for account of the issuer and held by it or for its account. (Sec. 16 (a) 48 Stat. 896; 15 U. S. C. 78p (a)) [Rule X-16A-4]

§ 240.16a-5 *Exemption from section 16 of securities purchased or sold by odd-lot dealers.* Securities purchased or sold by an odd-lot dealer (a) in odd-lots so far as reasonably necessary to carry on odd-lot transactions or (b) in round-lots to offset odd-lot transactions previously or simultaneously executed or reasonably anticipated in the usual course of business, shall be exempt from the provisions of section 16 of the act, with respect to participation by such odd-lot dealer in such transactions. (Sec. 16 (a) 48 Stat. 896; 15 U. S. C. 78p (a)) [Rule X-16A-5]

§ 240.16a-6 *Exemption from section 16 (a) of securities as to which reports are required under Holding Company Act.* Securities issued by a company which is registered as a holding company under the Public Utility Holding Company Act of 1935, or by subsidiary companies thereof (as defined in section 2 (a) (8) of said act, 49 Stat. 807; 15 U. S. C. 79b (a) (8)) shall be exempt from the provisions of section 16 (a) of the Securities Exchange Act of 1934 as regards the duty of any officer or director of such holding company to file any reports with respect to ownership and changes in ownership of such securities with the Commission and with any national securities exchange, regardless of whether such officer or director is the beneficial owner of more than 10 percent of any class of such security. (Sec. 16 (a), 48 Stat. 986; 15 U. S. C. 78p (a)) [Rule X-16A-6]

§ 240.16a-7 *Use of Investment Company Act form.* Separate reports need not be filed to comply with section 30 (f) of the Investment Company Act of 1940 (54 Stat. 837; 15 U. S. C. 80a-29) and section 16 (a) of the Securities Exchange Act of 1934 (48 Stat. 896; 15 U. S. C. 78p) A single report containing the information required under section 30 (f) of the Investment Company Act of 1940 will be regarded as filed under both Acts. To comply with that part of section 16 (a) requiring reports to be filed with national securities exchanges, a duplicate original of the same report may be filed with such exchanges or with the exchange designated under § 240.16a-1 (f) (Sec. 16 (a) 48 Stat. 896; 15 U. S. C. 78p (a)) [Rule X-16A-7]

EXEMPTION OF CERTAIN TRANSACTIONS FROM SECTION 16 (b)

§ 240.16b-1 *Exemption of certain transactions originating prior to October 1, 1934, from section 16 (b)* A purchase which is effected before October 1, 1934, followed by a sale after October 1, 1934, within 6 months of such purchase, or a sale which is effected before October 1, 1934, followed by a purchase after October 1, 1934, within 6 months of such sale, shall be exempt from the provisions of section 16 (b) (Sec. 16, 48 Stat. 896; 15 U. S. C. 78p) [Rule X-16B-1]

§ 240.16b-2 *Exemption from section 16 (b) of certain distributing and underwriting transactions.* Any transaction of purchase and sale of a security shall be exempt from the provisions of section 16 (b) (48 Stat. 896; 15 U. S. C. 78p (b)), to the extent prescribed in this section, as not comprehended within the purpose of said section 16 (b), upon condition that:

(a) The person effecting such transaction purchases such security with a view to the distribution thereof, from

a person (1) who is the issuer thereof, or (2) who is participating in good faith in the distribution of the same issue of securities and whose ownership of such security has been acquired within 6 months, directly or solely through other such participants, from the issuer.

(b) Such transaction is effected by a person who is otherwise engaged in the business of buying and selling securities for his own account, through a broker or otherwise, as a part of a regular business; and

(c) If the person effecting such transaction is either (1) an officer or director of the issuer, (2) a firm of which an officer or director of the issuer is a partner, employee, appointee, nominee or representative, or (3) a corporation or other person in respect of which an officer or director of the issuer is an officer, director, employee, appointee, nominee, representative or beneficial owner, directly or indirectly, of more than 10 per centum of any class of equity security, then one or more other persons who are not specified in subparagraphs (1) (2) or (3) of this paragraph shall have participated in the distribution as members of the underwriting group on terms at least as favorable as those on which such specified persons have participated and to an extent at least equal to the aggregate participation of all such specified persons: *Provided,* That performance of the functions of manager of a distributing group and the receipt from the group of a bona fide payment for performing such functions shall not be deemed to destroy an exemption which otherwise would be available pursuant to this section.

As used in paragraph (a) of this section the term "issuer" shall include, in addition to an "issuer" within the meaning of section 3 (a) (8) of the Act (48 Stat. 883; 15 U. S. C. 78c (a) (8)) any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer. As used in this section, the term "issue" shall include, in addition to an issue of securities issued by an issuer within the meaning of section 3 (a) (8) of the act, securities purchased with a view to distribution by the participants in any single distribution from any person directly or indirectly controlling or controlled by the issuer thereof, or from any person under direct or indirect common control with the issuer.

The exemption of a transaction pursuant to this section with respect to the participation therein of one party thereto shall not render such transaction exempt with respect to participation of any other party therein unless such other party also meets the requirements of paragraphs (a) (b) and (c) (Sec. 16, 48 Stat. 896; 15 U. S. C. 78p) [Rule X-16B-2]

§ 240.16b-3 *Exemption from section 16 (b) of certain transactions in connection with stock-option plans.* Any purchase and sale, or sale and purchase, of an equity security by a director, officer or employee of the issuer thereof, shall be exempted from the operation of section 16 (b) of the Act, upon condition that:

(a) Such purchase is or has been made directly from the issuer pursuant to the exercise of a non-transferable right to purchase granted on or before June 6, 1934, by the issuer during, or in connection with the initiation of, the bona fide employment by the issuer of the grantee of such right to purchase as an officer or employee;

(b) Such sale is made after October 9, 1935;

(c) The granting of such right to purchase was approved by the vote of at least one class of stockholders of the issuer at a meeting, notice of which disclosed that the granting of such right was to be voted upon at such meeting; and

(d) The lowest price at which such equity security has been or is purchasable pursuant to such right to purchase is higher than the market price of such security at the time of such vote of stockholders. (Sec. 16, 48 Stat. 896; 15 U. S. C. 78p) [Rule X-16B-3]

§ 240.16b-4 *Exemption from section 16 (b) of certain transactions by public utility holding companies and subsidiaries thereof.* Any transaction of purchase and sale, or sale and purchase, of a security shall be exempt from the provisions of section 16 (b) of the act to the extent prescribed in this section, as not comprehended within the purpose of said subsection, if (a) the person effecting such transaction is either a holding company registered under the Public Utility Holding Company Act of 1935 or a subsidiary company thereof and (b) both the purchase and the sale of such security have been approved or permitted by the Commission pursuant to the applicable provisions of that act and the rules and regulations thereunder. (Secs. 3, 16, 48 Stat. 882, 896; 15 U. S. C. 78c, 78p). [Rule X-16B-4]

EXEMPTION OF CERTAIN SECURITIES FROM SECTION 16 (C)

§ 240.16c-1 *Exemption of certain securities from section 16 (c)* Any security shall be exempt from the operation of section 16 (c) of the act (48 Stat. 896; 15 U. S. C. 78p) to the extent necessary to render lawful under such section the execution by a broker of an order for an account in which he has no direct or indirect interest. (Secs. 3, 16, 48 Stat. 882, 896; 15 U. S. C. 78c (a) (12), 78p (c)). [Rule X-16c-1]

§ 240.16c-2 *Exemption from section 16 (c) of certain distributing and underwriting transactions.* (a) Upon the condition specified in paragraph (b) of this section, any security shall be exempt from the operation of section 16 (c) of the act to the extent necessary to render lawful under such section any sale made by or on behalf of a dealer in contemplation of a distribution (1) where the sale is represented by an over-allotment in which the dealer participates as a member of an underwriting group, or (2) where the dealer intends in good faith to offset such sale with a security which he will receive as a participant in an underwriting or selling group of which he is a member at the time of the sale, whether or not the amount of the security he will so receive is subject to a prior offering to existing security holders or some other class of persons. As used in this paragraph, the term "distribution" means a distribution on behalf of the issuer, any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer.

(b) The exemptions granted by paragraph (a) of this section shall be subject to the condition that, if the dealer is either (1) an officer or director of the issuer, (2) a firm of which an officer or director of the issuer is a partner, employee, appointee, nominee, or representative, or (3) a corporation or other person in respect of which an officer or director of the issuer is an officer, director, employee, appointee, nominee, representative or beneficial owner, directly or indirectly, of more than 10 per centum of any class of equity security, then one or more other persons who are not specified in subparagraphs (1), (2), or (3) of this paragraph shall have participated in the distribution as members of the underwriting group (or, in the case of the second exemption, the underwriting group or the selling group or both) on terms at least as favorable as those on which such specified persons have participated and to an extent at least equal to the aggregate participation of all such specified persons: *Provided,* That performance of the functions of manager of a distributing group and the receipt from the group of a bona fide payment for performing such functions shall not be deemed to destroy an exemption which otherwise would be available pursuant to this section. (Secs. 3, 16, 48 Stat. 882, 896; 15 U. S. C. 78c (a) (12) 78p (c)) [Rule X-16C-2]

ARBITRAGE TRANSACTIONS

§ 240.16d-1 *Arbitrage transactions under section 16.* It shall be unlawful for any director or officer of an issuer of an equity security which is registered on a national securities exchange to effect any foreign or domestic arbitrage transaction in any equity security of such issuer, whether registered or not, unless he shall include such transaction in the statements required by section 16 (a) of the act and § 240.16a-1 and shall account to such issuer for the profits arising from such transaction, as provided in section 16 (b) of the act. The provisions of section 16 (c) of the act shall not apply to such arbitrage transactions. The provisions of § 240.16a-1 and of section 16 of the act shall not apply to any bona fide foreign or domestic arbitrage transaction insofar as it is effected by any person other than such director or officer of the issuer of such security. (Sec. 16, 48 Stat. 896; 15 U. S. C. 78p (d)) [Rule X-16D-1]

PRESERVATION OF RECORDS AND REPORTS OF CERTAIN STABILIZING ACTIVITIES

§ 240.17a-2 *Reports of certain stabilizing activities.* (a) Every member of a national securities exchange, and every broker or dealer who transacts a business in securities through the medium of any such member, and every broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended (48 Stat. 895, 49 Stat.

1377· 15 U. S. C. 78o) who effects any purchase for the purpose of pegging, fixing, or stabilizing (hereinafter referred to as stabilizing) the price of any security to facilitate an offering in respect of which a registration statement is filed under the Securities Act of 1933 (48 Stat. 74, et seq., 15 U. S. C. 77a-aa) as amended, shall send to the Commission a report on Form X-17A-1.

(1) On the first business day following each day on which any purchase or sale of the offered security or the security being stabilized is effected by the manager of the stabilizing syndicate, as such, or if there is no such syndicate, by such member, broker or dealer, for any account;

(2) On the first business day following each day on which such member, broker or dealer effects, otherwise than through the manager of the stabilizing syndicate, any purchase or sale of the offered security being stabilized, for any account; and

(3) Within three business days following the date on which the stabilizing is commenced, for each day in the twenty days preceding such date on which such member, broker, or dealer effected, for his own account, any purchase or sale of the offered security or the security being stabilized.

(b) Notwithstanding the provisions of paragraph (a) of this section, in the case of an offering made at a fixed public offering price, no report need be filed for any day solely because of a retail sale of the offered security at such public offering price. In such cases, there shall be disclosed in Column G of Schedule II of the next report required to be filed pursuant to paragraph (a) of this section, the total of all such retail sales by the reporting person which were not previously reported.

(c) Promptly upon the termination of the stabilizing, written notice of such termination shall be given to the Commission. The reports required by paragraph (a) (1) and (2) of this section shall be filed until the stabilizing is terminated and the Commission is so notified, except that if any stabilizer then has a short position in any such security, he shall send to the Commission a report on Form X-17A-1 on the first business day following each day on which the manager of the stabilizing syndicate, as such, effects any purchase to cover such short position, and a report on that form on the first business day following each day on which such stabilizer effects a purchase, otherwise than through such manager, to cover such short position. Separate reports shall be filed as to each such security and may be filed by one or more of the stabilizers on behalf of any of the stabilizers. For the purpose of this rule and the forms prescribed hereby, the term "offered security" includes any security of the same class. Reports filed pursuant to this rule will be available for public inspection after the stabilizers have filed all the reports required hereby.

(d) Promptly upon the termination of the stabilizing, if any stabilizer then has a long position in the offered security, he shall promptly notify the Commission in writing of the amount of such long position, unless he is filing, pursuant to paragraph (a) of this section, a report for the date of termination. (Sec. 17, 48 Stat. 897, sec. 4, 49 Stat. 1379, sec. 5, 52 Stat. 1076; 15 U. S. C. 78q (a)) [Rule X-17A-2]

§ 240.17a-3 *Records to be made by certain exchange members, brokers and dealers.* (a) Every member of a national securities exchange who transacts a business in securities directly with others than members of a national securities exchange, and every broker or dealer who transacts a business in securities through the medium of any such member, and every broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended, (48 Stat. 895, 49 Stat. 1377, 52 Stat. 1075; 15 U. S. C. 78o) shall make and keep current the following books and records relating to his business:

(1) Blotters (or other records of original entry) containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities (including certificate numbers) all receipts and disbursements of cash and all other debits and credits. Such records shall show the account for which each such transaction was effected, the name and amount of securities, the unit and aggregate purchase or sale price (if any) the trade date, and the name or other designation of the person from whom purchased or received or to whom sold or delivered.

(2) Ledgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts.

(3) Ledger accounts (or other records) itemizing separately as to each cash and margin account of every customer and of such member, broker or dealer and partners thereof, all purchases, sales, receipts and deliveries of securities and commodities for such account and all other debits and credits to such account.

(4) Ledgers (or other records) reflecting the following:

(i) Securities in transfer:

(ii) Dividends and interest received;

(iii) Securities borrowed and securities loaned;

(iv) Monies borrowed and monies loaned (together with a record of the collateral therefor and any substitutions in such collateral)

(v) Securities failed to receive and failed to deliver.

(5) A securities record or ledger reflecting separately for each security as of the clearance dates all "long" or "short" positions (including securities in safekeeping) carried by such member, broker or dealer for his account or for the account of his customers or partners and showing the location of all securities long and the offsetting position to all securities short and in all cases the name or designation of the account in which each position is carried.

(6) A memorandum of each brokerage order, and of any other instruction, given or received for the purchase or sale of securities, whether executed or unexecuted. Such memorandum shall show the terms and conditions of the order or instructions and of any modification or cancellation thereof, the account for which entered, the time of entry, the price at which executed and, to the extent feasible, the time of execution or cancellation. Orders entered pursuant to the exercise of discretionary power by such member, broker or dealer, or any employee thereof, shall be so designated. The term "instruction" shall be deemed to include instructions between partners and employees of a member, broker or dealer. The term "time of entry" shall be deemed to mean the time when such member, broker or dealer transmits the order or instruction for execution or, if it is not so transmitted, the time when it is received.

(7) A memorandum of each purchase and sale of securities for the account of such member, broker or dealer showing the price and, to the extent feasible, the time of execution.

(8) Copies of confirmations of all purchases and sales of securities and copies of notices of all other debits and credits for securities, cash and other items for the account of customers and partners of such member, broker or dealer.

(9) A record in respect of each cash and margin account with such member, broker or dealer containing the name and address of the beneficial owner of such account and, in the case of a margin account, the signature of such owner: *Provided,* That, in the case of a joint account or an account of a corporation, such records are required only in respect of the person or persons authorized to transact business for such account.

(10) A record of all puts, calls, spreads, straddles and other options in which such member, broker or dealer has any direct or indirect interest or which such member, broker or dealer has granted or guaranteed, containing, at least, an identification of the security and the number of units involved.

(b) This section shall not be deemed to require a member of a national securities exchange to make or keep such records of transactions cleared for such member by another member as are customarily made and kept by the clearing member.

(c) This section shall not be deemed to require a member of a national securities exchange, or a broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934 (48 Stat. 895, 49 Stat. 1377; 15 U. S. C. 78o) as amended, to make or keep such records as are required by paragraph (a) reflecting the sale of United States Tax Savings Notes, United States Defense Savings Stamps, or United States Defense Savings Bonds, Series E, F and G. (Sec. 17, 48 Stat. 897, Sec. 4, 49 Stat. 1379, Sec. 5, 52 Stat. 1076; 15 U. S. C. 78q (a)) [Rule X-17A-3]

CROSS REFERENCE: For interpretative release applicable to § 240.17a-3, see § 241.3040 of this chapter.

§ 240.17a-4 *Records to be preserved by certain exchange members, brokers and dealers.* (a) Every member, broker and dealer subject to § 240.17a-3 shall preserve for a period of not less than 6 years, the first 2 years in an easily accessible place, all records required to be made pursuant to § 240.17a-3 (a) (1), (2), (3), and (5)

(b) Every such member, broker and dealer shall preserve for a period of not less than 3 years, the first 2 years in an easily accessible place:

(1) All records required to be made pursuant to § 240.17a-3 (a) (4) (6) (7), (8) (9) and (10).

(2) All check books, bank statements, cancelled checks and cash reconciliations.

(3) All bills receivable or payable (or copies thereof) paid or unpaid, relating to the business of such member, broker or dealer, as such.

(4) Originals of all communications received and copies of all communications sent by such member, broker or dealer (including inter-office memoranda and communications) relating to his business as such.

(5) All trial balances, financial statements, branch office reconciliations and internal audit working papers, relating to the business of such member, broker or dealer, as such.

(6) All guarantees of accounts and all powers of attorney and other evidence of the granting of any discretionary authority given in respect of any account, and copies of resolutions empowering an agent to act on behalf of a corporation.

(7) All written agreements (or copies thereof) entered into by such member, broker or dealer relating to his business as such, including agreements with respect to any account.

(c) Every such member, broker and dealer shall preserve for a period of not less than 6 years after the closing of any customer's account any account cards or records which relate to the terms and conditions with respect to the opening and maintenance of such account.

(d) Every such member, broker and dealer shall preserve during the life of the enterprise and of any successor enterprise all partnership articles or, in the case of a corporation, all articles of incorporation or charter, minute books and stock certificate books.

(e) After a record or other document has been preserved for 2 years, a photograph thereof on film may be substituted therefor for the balance of the required time.

(f) If a person who has been subject to § 240.17a-3 ceases to transact a business in securities directly with others than members of a national securities exchange, or ceases to transact a business in securities through the medium of a member of a national securities exchange, or ceases to be registered pursuant to section 15 of the Securities Exchange Act of 1934 as amended (48 Stat. 895, 49 Stat. 1377; 15 U. S. C. 78o) such person shall, for the remainder of the periods of time specified in this section, continue to preserve the records which he theretofore preserved pursuant to this section. (Sec. 17, 48 Stat. 897, sec. 4, 49 Stat. 1379, sec. 5, 52 Stat. 1076; 15 U. S. C. 78q (a)) [Rule X-17A-4]

CROSS REFERENCE: For interpretative releases applicable to § 240.17a-4, see §§ 241.1571 and 241.3040 of this chapter.

§ 240.17a-5 *Reports to be made by certain exchange members, brokers and dealers*—(a) *Reports to be made annually.* Every member of a national securities exchange who transacts a business in securities directly with others than members of a national securities exchange, and every broker or dealer who transacts a business in securities through the medium of any such member, and every broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended (48 Stat. 895, 49 Stat. 1377; 15 U. S. C. 78o) shall file on Form X-17A-5, during each calendar year commencing January 1, 1943, a report of his financial condition as of a date not more than 45 days prior to the filing thereof: *Provided,* That reports for any two consecutive years shall not be filed within less than four months of each other. The report shall be filed in duplicate with the Regional Office of the Commission for the region in which the member, broker, or dealer has his principal place of business.

(b) *Nature and form of reports.* Each report of financial condition filed pursuant to paragraph (a) of this section shall be prepared and filed in accordance with the following requirements:

(1) The report of a member, broker, or dealer shall be certified by a certified public accountant or a public accountant who shall be in fact independent (i) if said member, broker, or dealer is required to file a certified financial statement with any agency of any state in which he does business as a condition of doing business in securities therein, or is required to file a certified financial statement with any national securities exchange of which he is a member, or (ii) if, during the year preceding the date as of which his financial condition is reported said member, broker, or dealer has made a practice of (a) extending credit in any form to customers (such as carrying margin accounts or selling securities on a partial payment or installment basis) *Provided,* That credit shall not be deemed to be extended by reason of a bona fide delayed delivery of any such security against full payment of the entire purchase price thereof upon such delivery within thirty-five (35) days after such purchase; (b) holding securities owned by customers, except as an incident to transactions with or for customers which are promptly consummated by delivery, or (c) carrying credit balances of customers, except as an incident to transactions with or for customers which are promptly consummated by payment;

(2) Attached to the report shall be an oath or affirmation that, to the best knowledge and belief of the person making such oath or affirmation, (i) the financial statement and supporting schedules are true and correct and (ii) neither the member, broker, or dealer, nor any partner, officer, or director, as the case may be, has any proprietary interest in any account classified solely as that of a customer. The oath or affirmation shall be made before a person duly authorized to administer such oaths or affirmations. If the member, broker, or dealer is a sole proprietorship, the oath or affirmation shall be made by the proprietor; if a partnership, by a general partner; or if a corporation, by a duly authorized officer.

(3) If the schedules furnished pursuant to the requirements of items (a) (b) and (c) of Part II of Form X-17A-5 are bound separately from the balance of the report they shall be deemed confidential, except that they shall be available for official use by any official or employee of the United States or any state; by national securities exchanges and national securities associations of which the person filing such report is a member; and by any other person to whom the Commission authorizes disclosure of such information as being in the public interest. Nothing contained in this paragraph shall be deemed to be in derogation of the rules of any national securities association or national securities exchange which give to customers of a member, broker, or dealer the right, upon request to such member, broker, or dealer, to obtain information relative to his financial condition.

(c) *Use of certain statements filed with the Securities and Exchange Commission, State Commissions and National Securities Exchanges.* (1) Any member, broker, or dealer who is subject to the provisions of paragraph (a) of this section may file in lieu of the report required by that paragraph a copy of any financial statement which he is, or has been, required to file with any national securities exchange of which he is a member, or with any agency of any State as a condition of doing business in securities therein, *Provided,* That (i) the copy so included reflects his financial condition as of a date not more than forty-five (45) days prior to the filing thereof with the Commission, and (ii) the report, as filed with this Commission, meets the requirements of this rule and Form X-17A-5 and contains the information called for by that form.

(2) At the request of any member, broker, or dealer who is (i) an investment company registered under the Investment Company Act of 1940, or (ii) a sponsor or depositor of such a registered investment company who effects transactions in securities only with, or on behalf of, such registered investment company, the Commission will accept any statement of his financial condition filed pursuant to sections 13 or 15 (d) of the Securities Exchange Act of 1934 or section 30 of the Investment Company Act of 1940 and the rules and regulations promulgated thereunder as a filing pursuant to this rule. Such a filing shall be deemed to satisfy the requirements of this rule for any calendar year in which such a financial statement is filed, *Provided,* That the statement so filed meets the requirements of the other rules under which it is filed with respect to time of filing and content.

(d) *Extension of time for filing reports.* In the event any member, broker, or dealer finds that he cannot file his report for any year within the time specified in paragraph (a) or (c) of this section without undue hardship, he may file with the Commission an application for an extension of time to a specified date which shall not be more than 90 days after the date as of which his financial condition is reported. The application shall state the reasons for the requested extension and shall contain an agree-

ment to file the report on or before the specified date. The application shall be deemed granted unless the Commission, within ten days after receipt thereof, enters an order denying the application.

(e) *Exemptions.* Any "bank" as defined in section 3 (a) (6) of the Act, (48 Stat. 882; 15 U. S. C. 78c) shall be exempt from the provisions of this section.

(f) *Qualifications of accountants.* The Commission will not recognize any person as a certified public accountant who is not duly registered and in good standing as such under the laws of his place of residence or principal office. The Commission will not recognize any person as a public accountant who is not in good standing and entitled to practice as such under the laws of the place of his residence or principal office.

(g) *Accountant's certificate* — (1) *Technical requirements.* The accountant's certificate shall be dated, shall be signed manually, and shall identify without detailed enumeration the items of the report covered by the certificate.

(2) *Representations as to audit.* The accounant's certificate (i) shall contain a reasonably comprehensive statement as to the scope of the audit made, including a statement as to whether the accountant reviewed the procedures followed for safeguarding the securities of customers, and including, if with respect to significant items in the report covered by the certificate any auditing procedures generally recognized as normal have been omitted, a specific designation of such procedures and of the reasons for their omission, (ii) shall state whether the audit was made in accordance with generally accepted auditing standards applicable in the circumstances; and (iii) shall state whether the audit made omitted any procedure deemed necessary by the accountant under the circumstances of the particular case.

(3) Nothing in this rule shall be construed to imply authority for the omission of any procedure which independent accountants would ordinarily employ in the course of an audit made for the purpose of expressing the opinions required by paragraph (h) of this section.

(h) *Accountant's certificate; opinions to be expressed.* The accountant's certificate shall state clearly the opinion of the accountant with respect to the financial statement covered by the certificate and the accounting principles and practices reflected therein.

(i) *Accountant's certificate; exceptions.* Any matters to which the accountant takes exception shall be clearly identified; the exception thereto shall be specifically and clearly stated; and, to the extent practicable, the effect of each such exception on the related item of the report shall be given. (Sec. 17, 48 Stat. 897, sec. 4, 49 Stat. 1379, sec. 5, 52 Stat. 1076; 15 U. S. C. 78q (a)) [Rule X-17A-5]

CROSS REFERENCE: For interpretative release applicable to § 240.17a-5, see § 211.51 of this chapter.

INSPECTION AND PUBLICATION OF INFORMATION FILED UNDER THE ACT

§ 240.24b-1 *Documents to be kept public by exchanges.* Upon action of the Commission granting an exchange's application for registration or exemption, the exchange shall make available to public inspection at its offices during reasonable office hours a copy of the statement and exhibits filed with the Commission (including any amendments thereto) except those portions thereof to the disclosure of which the exchange shall have filed objection pursuant to § 240.24b-2 which objection shall not have been overruled by the Commission pursuant to section 24 (b) of the act. (Sec. 24 (b) 48 Stat. 901, 15 U. S. C. 78x (b)) [Rule X-24B-1]

CROSS REFERENCE: For regulations relating to registration and exemption of exchanges, see §§ 240.6a-1 to 240-6a-4.

§ 240.24b-2 *Non-disclosure of information filed with the Commission and with an exchange.* Any person filing any application, report, or document under the act may make written objection to the public disclosure of any information contained therein in accordance with the procedure set forth below:

(a) The person shall omit from the application, report, or document, when it is filed, the portion thereof which it desires to keep undisclosed (hereinafter called the confidential portion) In lieu thereof, it shall indicate at the appropriate place in the application, report, or document that the confidential portion has been so omitted and filed separately with the Commission.

(b) The person shall file with the copies of the application, report, or document filed with the Commission:

(1) As many copies of the confidential portion, each clearly marked "Confidential" as there are copies of the application, report, or document filed with the Commission and with each exchange. Each copy shall contain the complete text of the item and, notwithstanding that the confidential portion does not constitute the whole of the answer, the entire answer thereto; except that in case the confidential portion is part of a financial statement or schedule, only the particular financial statement or schedule need be included. All copies of the confidential portion shall be in the same form as the remainder of the application, report or document;

(2) An application making objection to the disclosure of the confidential portion. Such application shall be on a sheet or sheets separate from the confidential portion, and shall contain: (i) an identification of the portion of the application, report, or document which has been omitted; (ii) a statement of the grounds of objection; (iii) either a consent that the Commission shall determine the question of public disclosure upon the basis of the application and without a hearing, or a request for a hearing on the question of public disclosure, if that is desired; (iv) the name of each exchange with which the application, report or document is filed.

The copies of the confidential portion and the application filed in accordance with this paragraph shall be enclosed in a separate envelope marked "Confidential" and addressed to The Chairman, Securities and Exchange Commission, Washington, D. C.

(c) Pending the determination by the Commission as to the objection filed in accordance with paragraph (b) of this section, the confidential portion will be kept undisclosed.

(d) If the Commission determines that the objection shall be sustained, a notation to that effect will be made at the appropriate place in the application, report, or document.

(e) Prior to any determination overruling the objection, if a hearing shall have been requested in accordance with paragraph (b) of this section, at least ten days' notice of the time and place of such hearing will be given by registered mail to the person or his agent for service. Failure of any person making an application pursuant to paragraph (b) of this section to request a hearing, to appear at such hearing, or to offer evidence at the hearing in support of his application, shall be deemed a consent by such person to the submission of his objection for determination by the Commission. In any case in which a hearing has been held, the Commission need consider only such grounds of objection as shall have been supported by evidence adduced at the hearing and the failure at the hearing to adduce evidence in support of any ground of objection may be deemed by the Commission a waiver thereof.

(f) If after such hearing the Commission determines that the objection shall be sustained, a notation to that effect will be made at the appropriate place in the application, report, or document.

(g) If such hearing either (1) shall not have been requested, or (2) if requested, shall have been held, and the Commission shall have determined that disclosure of the confidential portion is in the public interest, a finding and determination to that effect will be entered and notice of the finding and determination will be sent by registered mail to the person or his agent for service.

(h) If such finding and determination are made with respect to the confidential portion of an application, report, or document filed pursuant to section 12 or 13 of the act (48 Stat. 892, 894, 49 Stat. 1375; 15 U. S. C. 781, 78m) the registration of the securities with respect to which the application, report, or document was filed may be withdrawn at any time within 15 days of the dispatch of notice by registered mail of such finding and determination. Such withdrawal shall be effected as follows:

(1) The issuer shall file with the Commission a written notification of withdrawal.

(2) Upon receipt of such notification, the Commission will send confirmed telegraphic notice thereof to each exchange on which the securities are registered.

(3) The registration shall continue in effect until, and shall terminate on, the close of business of the tenth day after the dispatch of such telegraphic notice to the exchange by the Commission.

(4) All applications, reports, or documents filed in connection with the registration shall be retained by the Commission and the exchange on which filed, and shall be plainly marked: "Registration withdrawn as of _____ (date of termination of registration)"

except that all copies of the Confidential Portion will be returned to the issuer.

(i) The confidential portion shall be made available to the public at the time and according to the conditions specified in subparagraphs (1)–(3) of this paragraph:

(1) Upon the lapse of 15 days after the dispatch of notice by registered mail of the finding and determination of the Commission described in paragraph (g) of this section, if prior to the lapse of such 15 days the person shall not have filed a written statement that he intends in good faith to seek judicial review of the finding and determination;

(2) Upon the lapse of 60 days after the dispatch of notice by registered mail of the finding and determination of the Commission, if the statement described in subparagraph (1) of this paragraph shall have been filed and if a petition for review shall not have been filed within such 60 days; or

(3) If such petition for review shall have been filed within such 60 days, upon final disposition, adverse to the person, of the judicial proceedings.

(j) If the confidential portion is made available to the public, one copy thereof shall be attached to each copy of the application, report, or document filed with the Commission and with each exchange. (Secs. 12, 13, 24, 48 Stat. 892, 894, 901, sec. 1, 49 Stat. 1375; 15 U. S. C. 781, 78m, 78x) [Rule X-24B-2]

CROSS REFERENCE: For nondisclosure of information obtained in examinations and investigations, see § 240.0-4.

§ 240.24b-3 *Documents filed by issuers and others under sections 12, 13, and 16 of the act.* (a) Except as otherwise provided in this section, each exchange shall keep available to the public, under reasonable regulations as to the manner of inspection, during reasonable office hours, all information regarding a security registered on such exchange which is filed with it pursuant to sections 12, 13, or 16 of the act, or any rules or regulations thereunder. This requirement shall not apply to any information to the disclosure of which objection has been filed pursuant to § 240.24b-2, which objection shall not have been overruled by the Commission pursuant to section 24 (b) of the act. The making of such information available pursuant to this section shall not be deemed a representation by any exchange as to the accuracy, completeness, or genuineness thereof.

(b) In the case of an application for registration of a security pursuant to section 12 of the act an exchange may delay making available the information contained therein until it has certified to the Commission its approval of such security for listing and registration. (Sec. 24 (b) 48 Stat. 901, 15 U. S. C. 78x (b)) [Rule X-24B-3]

[F. R. Doc. 48-11169; Filed, Dec. 21, 1948; 8:47 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

[Regs., Serial No. SR-323-A]

LONG-DISTANCE DOMESTIC SCHEDULED AIR CARRIER OPERATIONS

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 15th day of December 1948.

Special Civil Air Regulation SR-323 (12 F. R. 3199) expires December 15, 1948. This regulation provides special operating rules for flights of scheduled air carrier aircraft at altitudes in excess of 12,500 feet east of longitude 100 W. and at altitudes in excess of 14,500 feet west of longitude 100 W. in long-distance operations.

Parts 40, 60, and 61 of the Civil Air Regulations impose undue operating restrictions on long-range, domestic, scheduled air carrier operations under the above conditions. Revisions of these parts which will provide for such operations are now being prepared. It is in the public interest to continue the long-distance operations authorized by Special Civil Air Regulation Serial Number SR-323, until these revisions are issued.

Since this regulation imposes no additional burden on any person, it may be made effective without prior notice.

The Civil Aeronautics Board hereby amends Special Civil Air Regulation SR-323 by striking the words "December 15, 1948" from the last sentence thereof, and substituting in lieu thereof the words "June 15, 1949."

(Secs. 205 (a), 601, 604, 52 Stat. 934, 1007, 1010; 49 U. S. C. 425 (a) 551, 554)

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN, *Secretary.*

[F. R. Doc. 48-11167; Filed, Dec. 21, 1948; 9:04 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign and Domestic Commerce, Department of Commerce

[3d Gen. Rev. of Export Regs., Amdt. P. L. 12]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

MINING, WELL, PUMPING MACHINERY AND OTHER INDUSTRIAL MACHINERY

Section 399.1 *Appendix A — Positive List of Commodities* is amended in the following particulars:

1. The following commodity is added to the Positive List:

Dept. of Comm. Schd. B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar value limits
731200	Mining, well, and pumping machinery: Diamond bits for oil or gas well drilling.	———	CONS	None

This part of the amendment shall become effective December 24, 1948, except that shipments of the commodity listed in this part of the amendment which were on dock, on lighter, laden aboard an exporting carrier or in transit to a port of exit pursuant to an actual order for export prior to December 24, 1948, may be exported under the previous general license provisions.

2. The following commodities are deleted from the Positive List:

Dept. of Comm. Schd. B No.	Commodity
763000	Other industrial machinery:
763000	Planers, matchers, jointers and molders having a unit value of more than $1,000.
763000	Veneer machinery, and parts.
763000	Other woodworking machinery and parts having a unit value of more than $1,000.

This part of the amendment shall become effective December 17, 1948.

(Sec. 6, 54 Stat. 714, 55 Stat. 206, 56 Stat. 463, 58 Stat. 671, 59 Stat. 270, 60 Stat. 215, 61 Stat. 214, 61 Stat. 321; Pub. Law 395, 80th Cong., 50 U. S. C. App. and Sup. 701, 702; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245; E. O. 9919, Jan. 3, 1948, 13 F. R. 59)

Dated: December 14, 1948.

FRANCIS MCINTYRE, *Assistant Director, Office of International Trade.*

[F. R. Doc. 48-11142; Filed, Dec. 21, 1948; 9:01 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 4932]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

SALES STIMULATORS

§ 3.6 (h) *Advertising falsely or misleadingly—Fictitious or misleading guarantees:* § 3.6 (cc) *Advertising falsely or misleadingly—Source or origin—Maker* § 3.55 *Furnishing means and instrumentalities of misrepresentation or deception:* § 3.66 (k) *Misbranding or mislabeling—Source or origin—Maker or seller* § 3.72 (f 15) *Offering unfair, improper and deceptive inducements to purchase or deal—Guarantee, in general:* § 3.78 *Passing off:* § 3.87 (h) *Simulating competitor or another or product thereof—Trade name of competitor or other's product:* § 3.96 (a) *Using misleading name—Goods—Source or origin—Maker.* In connection with the offering for sale, sale or distribution of tableware or other merchandise in commerce, (1) using or permitting to be used, in respondent's behalf, the words "Lady Esther" either alone or in connection or conjunction with any other word or words, on his products or on circulars, display cards, or other advertising literature, to describe, designate or refer to any such products; or, (2) representing, either directly or by implication, through the use of any word, mark, label or other-

wise, that his products are the products of or that they are guaranteed by the Lady Esther Company, Ltd., prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U. S. C., sec. 45b) [Cease and desist order, Ben Braude trading as Sales Stimulators, Docket 4982, November 18, 1948]

At a regular session of the Federal Trade Commission held at its office in the city of Washington, D. C., on the 18th day of November A. D. 1948.

In the Matter of Ben Braude, an Individual Trading as Sales Stimulators

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of the respondent, testimony and other evidence in support of and in opposition to the allegations of the complaint taken before trial examiners of the Commission theretofore duly designated by it, the trial examiners' recommended decision and exceptions thereto filed by counsel for the respondent, briefs and oral argument of counsel; and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondent Ben Braude, individually and trading as Sales Stimulators, or trading under any other name, and his agents, representatives and employees, in connection with the offering for sale, sale or distribution of tableware or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using or permitting to be used, in his behalf, the words "Lady Esther" either alone or in connection or conjunction with any other word or words, on his products or on circulars, display cards, or other advertising literature, to describe, designate or refer to any such products.

2. Representing, either directly or by implication, through the use of any word, mark, label or otherwise, that his products are the products of or that they are guaranteed by the Lady Esther Company, Ltd.

It is further ordered, That the respondent shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 48-11119; Filed, Dec. 21, 1948; 8:50 a. m.]

[Docket 5351]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

UNIVIS LENS CO. AND UNIVIS CORP.

§ 3.6 (a 10) *Advertising falsely or misleadingly—Comparative data or merits:* § 3.6 (b) *Advertising falsely or misleadingly—Competitors and their products—Competitors' products:* § 3.48 (b) *Disparaging competitors and their products—Goods—Manufacture or preparation.* § 3.48 (b) *Disparaging competitors and their products—Goods—Performance:* § 3.48 (b) *Disparaging competitors and their products—Goods—Qualities or properties.* In connection with the offering for sale, sale or distribution in commerce, of multifocal spectacle lenses, (1) representing, by picturizations or otherwise, that the user of bifocal lenses with round top reading segments must tilt his head and otherwise assume an unnatural and uncomfortable position in order to use such lenses to advantage; (2) representing, directly or by implication, that round top reading segments of bifocal lenses cause distress, discomfort or eyestrain; or (3) representing, directly or by implication, that the lines of demarcation between the tops of the reading segments and the distance segments in round top bifocals are more conspicuous than the corresponding lines in the respondent's flat top bifocal lenses; prohibited. (Sec. 5, 38 Stat. 719. as amended by sec. 3, 52 Stat. 112; 15 U. S. C., sec. 45b) [Cease and desist order, The Univis Lense Company et al., Docket 5351, November 12, 1948]

At a regular session of the Federal Trade Commission held at its office in the city of Washington, D. C., on the 12th day of November A. D. 1948.

This proceeding having been heard by the Federal Trade Commission upon the amended complaint of the Commission, the respondents' amended answer thereto, testimony and other evidence in support of and in opposition to the amended complaint taken before a trial examiner of the Commission theretofore duly designated by it, the trial examiner's recommended decision, and brief of counsel in support of the amended complaint (no brief having been filed on behalf of the respondents and no request for oral argument having been made) and the Commission, having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act:

It is ordered, That the corporate respondents, the Univis Lens Company and the Univis Corporation, and their respective officers, agents, representatives and employees, in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of multifocal spectacle lenses, do forthwith cease and desist from:

1. Representing, by picturizations or otherwise, that the user of bifocal lenses with round top reading segments must tilt his head and otherwise assume an unnatural and uncomfortable position in order to use such lenses to advantage.

2. Representing, directly or by implication, that round top reading segments of bifocal lenses cause distress, discomfort or eyestrain.

3. Representing, directly or by implication, that the lines of demarcation between the tops of the reading segments and the distance segments in round top bifocals are more conspicuous than the corresponding lines in the respondents' flat top bifocal lenses.

It is further ordered, That the respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 48-11120; Filed, Dec. 21, 1948; 8:50 a. m.]

[Docket 5503]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

ARKANSAS PEANUT CO.

§ 3.99 (b) *Using or selling lottery devices; In merchandising.* In connection with the offering for sale, sale, and distribution of peanuts or other merchandise in commerce, (1) selling or distributing peanuts or other merchandise so packed or assembled that sales of such merchandise to the public care to be made or, due to the manner in which such merchandise is packed and assembled at the time it is sold by respondent, may be made by means of a game of chance, gift enterprise, or lottery scheme; or (2) selling or otherwise disposing of any merchandise by means of a game of chance, gift enterprise, or lottery scheme; prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U. S. C., sec. 45b) [Cease and desist order, John E. Haynes trading as Arkansas Peanut Company, Docket 5503, November 1, 1948]

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 1st day of November A. D. 1948.

In the Matter of John E. Haynes, an Individual Trading as Arkansas Peanut Company

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the substitute answer of respondent, in which answer respondent admits all the material allegations of fact set forth in the complaint and waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That respondent John E. Haynes, an individual trading as Arkansas Peanut Company, or under any other name, his representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of peanuts or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Selling or distributing peanuts or other merchandise so packed or assem-

bled that sales of such merchandise to the public are to be made or, due to the manner in which such merchandise is packed and assembled at the time it is sold by respondent, may be made by means of a game of chance, gift enterprise, or lottery scheme.

2. Selling or otherwise disposing of any merchandise by means of a game of chance, gift enterprise, or lottery scheme.

It is further ordered, That the respondent shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 48-11100; Filed, Dec. 21, 1948; 8:45 a. m.]

TITLE 24—HOUSING CREDIT

Chapter I—Home Loan Bank Board

[No. 1281]

PART 01—ORGANIZATION, PROCEDURE AND SUBSTANTIVE RULES AND REGULATIONS

PART 05—SPECIFIC DELEGATIONS OF AUTHORITY

PART 06—ORGANIZATION, PROCEDURE AND SUBSTANTIVE RULES AND REGULATIONS, FEDERAL HOME LOAN BANK SYSTEM

DISCONTINUANCE OF CODIFICATION

DECEMBER 17, 1948.

Resolved that in order to conform Chapter I of Title 24 with the scope and style of the Code of Federal Regulations, 1949 Edition, as prescribed by the Regulations of the Administrative Committee of the Federal Register and approved by the President, effective October 12, 1948 (13 F. R. 5929) the codification of Parts 01, 05 and 06 is discontinued. Further amendments to the standard of organization and procedure contained in these parts will be published in the Notices section of the FEDERAL REGISTER.

By the Home Loan Bank Board.

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 48-11158; Filed, Dec. 21, 1948; 9:06 a. m.]

Chapter II—Federal Savings and Loan System

[No. 1282]

PART 200—ORGANIZATION, PROCEDURE AND SUBSTANTIVE RULES AND REGULATIONS OF FEDERAL SAVINGS AND LOAN SYSTEM

DISCONTINUANCE OF CODIFICATION

DECEMBER 17, 1948.

Resolved that in order to conform Chapter II of Title 24 with the scope and style of the Code of Federal Regulations, 1949 Edition, as prescribed by the regulations of the Administrative Committee of the Federal Register and approved by the President, effective October 12, 1948, (13 F. R. 5929) the codification of Part 200 is discontinued. Further amendments to the standard of organization and procedure contained in this part will be published in the Notices section of the FEDERAL REGISTER.

By the Home Loan Bank Board.

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 48-11159; Filed, Dec. 21, 1948; 9:06 a. m.]

Chapter III—Federal Savings and Loan Insurance Corporation

[No. 1283]

PART 300—ORGANIZATION, PROCEDURE AND SUBSTANTIVE RULES AND REGULATIONS

DISCONTINUANCE OF CODIFICATION

DECEMBER 17, 1948.

Resolved that in order to conform Chapter III of Title 24 with the scope and style of the Code of Federal Regulations, 1949 Edition, as prescribed by the regulations of the Administrative Committee of the Federal Register and approved by the President, effective October 12, 1948 (13 F. R. 5929) the codification of Part 300 is discontinued. Further amendments to the standard of organization and procedure contained in this part will be published in the Notices section of the FEDERAL REGISTER.

By the Home Loan Bank Board.

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 48-11160; Filed, Dec. 21, 1948; 9:03 a. m.]

Chapter IV—Home Owners' Loan Corporation

[No. 1284]

PART 400—ORGANIZATION AND PROCEDURES

DISCONTINUANCE OF CODIFICATION

DECEMBER 17, 1948.

Resolved that in order to conform Chapter IV of Title 24 with the scope and style of the Code of Federal Regulations, 1949 Edition, as prescribed by the Regulations of the Administrative Committee of the Federal Register and approved by the President, effective October 12, 1948 (13 F. R. 5929), the codification of Part 400 is discontinued. Further amendments to the standard of organization and procedure contained in this part will be published in the Notices section of the FEDERAL REGISTER.

By the Home Loan Bank Board.

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 48-11161; Filed, Dec. 21, 1948; 9:03 a. m.]

Chapter VIII—Office of the Housing Expediter

[Controlled Housing Rent Reg.,[1] Amdt. 55]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

CONTROLLED HOUSING RENT REGULATION

The Controlled Housing Rent Regulation (§§ 825.1 to 825.12) is amended in the following respect:

1. Schedule A, item 181, is amended to describe the counties in the Defense-Rental Area as follows:

Nebraska..... Dodge.
Nebraska..... Douglas and Sarpy.
Iowa..... That portion of Pottawattamie County which is described as follows:

Council Bluffs in Pottawattamie County. Sections 19, 20, 29, 30, 31 and 32 of Township 75, Range 43; Sections 5 and 6 of Township 74, Range 43; Sections 24, 25, 26, 27, 28, 29, 33, 34, 35 and 36 of Township 75, Range 44; and Sections 1, 2, 3 and 4 of Township 74, Range 44.

Manawa in Pottawattamie County. Sections 11, 12, 13, 14, 23, 24, 25 and 26 of Township 74, Range 44; and Sections 7, 18, and 19 of Township 74, Range 43.

Carter Lake in Pottawattamie County. Sections 16, 17, 20, 21, 28 and 29 of Township 75, Range 44.

2. This decontrols all of Pottawattamie County in the State of Iowa, a portion of the Omaha Defense-Rental Area, except that part of said County which is specifically described in paragraph 1 of this amendment.

(Sec. 204 (d), 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (d). Applies sec. 204 (c) 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (c))

This amendment shall become effective December 22, 1948.

Issued this 17th day of December 1948.

TIGHE E. WOODS, *Housing Expediter.*

Statement To Accompany Amendment 55 to the Controlled Housing Rent Regulation

It is the judgment of the Housing Expediter that the need for continuing maximum rents in that portion of Pottowatamie County, a part of the Omaha Defense-Rental Area, which is outside Council Bluffs, Carter Lake and Manawa, no longer exists due to the fact that the demand for rental housing accommodations has been reasonably met.

This amendment is therefore being issued to decontrol said portion of Pottowatamie County, Iowa, in accordance with section 204 (c) of the Housing and Rent Act of 1947, as amended.

[F. R. Doc. 48-11154; Filed, Dec. 21, 1948; 9:03 a. m.]

[1] 13 F. R. 5703, 5783, 5877, 5937, 6243, 6283, 6411, 6556, 6331, 6910, 7289, 7671.

[Rent Reg. for Controlled Rooms in Rooming Houses and Other Establishments,[1] Amdt. 55]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

RENT REGULATIONS FOR CONTROLLED ROOMS IN ROOMING HOUSES AND OTHER ESTABLISHMENTS

The Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92) is hereby amended in the following respect:

1. Schedule A, item 181, is amended to describe the counties in the Defense-Rental Area as follows:

Nebraska ..... Dodge.
Nebraska ..... Douglas and Sarpy.
Iowa ..... That portion of Pottawattamie County which is described as follows:

Council Bluffs in Pottawattamie County. Sections 19, 20, 29, 30, 31 and 32 of Township 75, Range 43; Sections 5 and 6 of Township 74, Range 43; Sections 24, 25, 26, 27, 28, 29, 33, 34, 35 and 36 of Township 75, Range 44; and Sections 1, 2, 3 and 4 of Township 74, Range 44.

Manawa in Pottawattamie County. Sections 11, 12, 13, 14, 23, 24, 25 and 26 of Township 74, Range 44; and Sections 7, 18 and 19 of Township 74, Range 43.

Carter Lake in Pottawattamie County. Sections 16, 17, 20, 21, 28 and 29 of Township 75, Range 44.

2. This decontrols all of Pottawattamie County in the State of Iowa, a portion of the Omaha Defense-Rental Area, except that part of said County which is specifically described in paragraph 1 of this amendment.

(Sec. 204 (d) 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (d) Applies sec. 204 (c) 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94, 50 U. S. C. App. 1894 (c))

This amendment shall become effective December 22, 1948.

Issued this 17th day of December 1948.

TIGHE E. WOODS,
Housing Expediter

Statement To Accompany Amendment 55 to the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments

It is the judgment of the Housing Expediter that the need for continuing maximum rents in that portion of Pottawattamie County, a part of the Omaha Defense-Dental Area, which is outside Council Bluffs, Carter Lake and Manawa, no longer exists due to the fact that the demand for rental housing accommodations has been reasonably met.

This amendment is therefore being issued to decontrol said portion of Pottawattamie County, Iowa, in accordance with section 204 (c) of the Housing and Rent Act of 1947, as amended.

[F. R. Doc. 48-11155; Filed, Dec. 21, 1948; 9:03 a. m.]

[1] 13 F. R. 5750, 5789, 5875, 5937, 5938, 6247, 6283, 6411, 6556, 6882, 6911, 7299, 7672.

[Controlled Housing Rent Reg.,[2] Amdt. 56]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

CONTROLLED HOUSING RENT REGULATION

The Controlled Housing Rent Regulation (§§ 825.1 to 825.12) is amended in the following respect:

Schedule B is amended by incorporating Item 39 as follows:

39. Provisions relating to the City of Wilmington, Delaware, a portion of the Delaware Defense-Rental Area:

Increase in Maximum Rents Based Upon the Recommendation of the Local Advisory Board. Pursuant to the provisions of, and subject to the limitations contained in, the Housing and Rent Act of 1947, as amended, the maximum rents for housing accommodations in the City of Wilmington, Delaware, a portion of the Delaware Defense-Rental Area, are hereby increased, effective December 22, 1948, as follows:

a. For all housing accommodations for which the maximum rent was first determined under section 4 (a) or 4 (b) of the Rent Regulation for Housing, issued pursuant to the Emergency Price Control Act of 1942, as amended, the increased maximum rent shall be the amount of such first determined maximum rent plus 14 percent thereof and plus or minus (as the case may be) the amount of all subsequent adjustments made by order, except adjustments ordered on or after August 22, 1947, under § 825.5 (a) (12) or § 825.5 (a) (16).

b. For all other housing accommodations for which an order was entered under the applicable rent regulation fixing the maximum rent on the basis of the rent generally prevailing in the defense-rental area for comparable housing accommodations on March 1, 1942, the increased maximum rent shall be the amount of the maximum rent fixed by such order plus 14 percent thereof and plus or minus (as the case may be) the amount of all subsequent adjustments made by order, except adjustments ordered on or after August 22, 1947 under § 825.5 (a) (12) or § 825.5 (a) (16).

c. Any maximum rent for housing accommodations in said city of Wilmington which is substantially lower than the rent generally prevailing in said defense-rental area for comparable housing accommodations on March 1, 1942 plus 14 percent shall be eligible for adjustment on the basis of such generally prevailing rent plus 14 percent, on the filing of an individual petition for adjustment under § 825.5 (a) (11).

All provisions of §§ 825.1 to 825.12 insofar as they are applicable to the Delaware Defense-Rental Area are hereby amended to the extent necessary to carry these provisions into effect.

(Sec. 204 (d) 61 Stat. 197, as amended by 62 Stat. 37 and 62 Stat. 94; 50 U. S. C. App. 1894 (d) Applies sec. 204 (e), 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (e))

This amendment shall become effective December 22, 1948.

Issued this 17th day of December 1948.

TIGHE E. WOODS,
Housing Expediter

[2] 13 F. R. 5706, 5788, 5877, 5937, 6246, 6283, 6411, 6556, 6881, 6910, 7299, 7671.

Statement To Accompany Amendment 56 to the Controlled Housing Rent Regulation

The Local Advisory Board for the Delaware Defense-Rental Area has, in accordance with section 204 (e) (1) (B) of the Housing and Rent Act of 1947, as amended, recommended an increase in the general rent level in the City of Wilmington, Delaware, a portion of the Delaware Defense-Rental Area, subject to certain exceptions as to cases in which there have been adjustments on or after August 22, 1947 based on hardship or operation at a loss and cases where leases have been executed pursuant to the provisions of the Housing and Rent Act of 1947 or the provisions of that act, as amended.

The Housing Expediter has found that this recommendation is appropriately substantiated and is in accordance with applicable law and regulations to the extent of 14 percent, and is, therefore, issuing this amendment to effectuate that portion of the recommendation.

[F. R. Doc. 48-11156; Filed, Dec. 21, 1948; 9:04 a. m.]

[Controlled Rooms in Rooming Houses and Other Establishments,[1] Amdt. 56]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

RENT REGULATION FOR CONTROLLED ROOMS IN ROOMING HOUSES AND OTHER ESTABLISHMENTS

The Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92) is hereby amended in the following respect:

Schedule B is amended by incorporating Item 40 as follows:

40. Provisions relating to the City of Wilmington, Delaware, a portion of the Delaware Defense-Rental Area:

Increase in Maximum Rents Based Upon the Recommendation of the Local Advisory Board. Pursuant to the provisions of, and subject to the limitations contained in, the Housing and Rent Act of 1947, as amended, the maximum rents for housing accommodations in the City of Wilmington, Delaware, a portion of the Delaware Defense-Rental Area, are hereby increased, effective December 22, 1948, as follows:

a. For all housing accommodations for which the maximum rent was first determined under section 4 (a) of the Rent Regulation for Transient Hotels, Residential Hotels, Rooming Houses and Motor Courts, issued pursuant to the Emergency Price Control Act of 1942, as amended, the increased maximum rent shall be the amount of such first determined maximum rent plus 14 percent thereof and plus or minus (as the case may be) the amount of all subsequent adjustments made by order, except adjustments ordered on or after August 22, 1947 under § 825.85 (a) (9).

b. For all other housing accommodations for which an order was entered under the applicable rent regulation fixing the maximum rent on the basis of the rent generally prevailing in the defense-rental area for comparable housing accommodations on March 1, 1942, the increased maximum rent shall be the amount of the maximum rent fixed by such order plus 14 percent thereof and plus or minus (as the case may be) the amount of all subsequent adjustments made by order,

except adjustments ordered on or after August 22, 1947 under § 825.85 (a) (9).

c. Any maximum rent for housing accommodations in said City of Wilmington which is substantially lower than the rent generally prevailing in said defense-rental area for comparable housing accommodations on March 1, 1942 plus 14 percent shall be eligible for adjustment on the basis of such generally prevailing rent plus 14 percent, on the filing of an individual petition for adjustment under § 825.85 (a) (8).

All provisions of §§ 825.81 to 825.92 insofar as they are applicable to the Delaware Defense-Rental Area are hereby amended to the extent necessary to carry these provisions into effect.

(Sec. 204 (d) 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (d) Applies sec. 204 (e) 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (e))

This amendment shall become effective December 22, 1948.

Issued this 17th day of December 1948.

TIGHE E. WOODS,
Housing Expediter.

Statement To Accompany Amendment 56 to the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments

The Local Advisory Board for the Delaware Defense-Rental Area has, in accordance with section 204 (e) (1) (B) of the Housing and Rent Act of 1947, as amended, recommended an increase in the general rent level in the city of Wilmington, Delaware, a portion of the Delaware Defense-Rental Area, subject to certain exceptions as to cases in which there have been adjustments on or after August 22, 1947, based on hardship or operation at a loss and cases where leases have been executed pursuant to the provisions of the Housing and Rent Act of 1947 or the provisions of that act, as amended.

The Housing Expediter has found that this recommendation is appropriately substantiated and is in accordance with applicable law and regulations to the extent of 14 percent, and is, therefore, issuing this amendment to effectuate that portion of the recommendation.

[F. R. Doc. 48-11157; Filed, Dec. 21, 1948; 9:04 a. m.]

TITLE 34—NATIONAL MILITARY ESTABLISHMENT

Chapter V—Department of the Army

JOINT PROCUREMENT REGULATIONS

MISCELLANEOUS AMENDMENTS

The Joint Procurement Regulations, formerly published as Parts 801 to 813 inclusive of Chapter VIII, Title 10, are amended as follows:

1. Sections 809.503, 809.503-1, 809.503-2, and 809.1202-4, are amended, and §§ 809.503-3 and 809.604 (d), (e) and (f) are added, as follows:

§ 809.503 *Predeterminations of prevailing wage rates.* The Secretary of Labor has discontinued the emergency, wartime practice of issuing wage predeterminations on an area basis, and requires a separate request for wage rates for each contract to be awarded by a contracting agency.

§ 809.503-1 *Responsibility for obtaining.* The Chief of Engineers, for the Department of the Army, and the Director, Procurement and Industrial Planning, for the Department of the Air Force, are responsible for obtaining from the Secretary of Labor and for furnishing to the procuring activities upon request, as provided in § 809.503-2, all predeterminations of prevailing wage rates under the Davis-Bacon Act required in connection with the award of contracts.

§ 809.503-2 *Responsibility for requesting*—(a) *Department of the Army.* Requests will be forwarded to division engineers to reach the Office of the Chief of Engineers at least 4 weeks prior to advertising.

(b) *Department of the Air Force.* The office responsible for the preparation of specifications for projects in excess of $2,000 (normally the base commander) is responsible for requesting the appropriate predetermination of wage rates to be contained in the contract. The preparing office will forward such request direct to the Director, Procurement and Industrial Planning, Office, Deputy Chief of Staff, Matériel, Headquarters, United States Air Force, Washington 25, D. C. That directorate will obtain the predetermination of wage rates from the Secretary of Labor, and forward direct to the requesting office. When the contract specifications are prepared for submission with the purchase request, they will include the approved predetermination of wage rates. Contracting officers will not accept purchase requests covering projects subject to the provisions of the Davis-Bacon Act until the required predetermination of wage rates has been incorporated in the specifications.

§ 809.503-3 *Manner of requesting.* Future requests for predetermination of wage rates will be made as follows:

(a) Requests will be forwarded on Form DB-11; in triplicate, leaving date, first two lines, and signature block blank. (These forms may be obtained from the division engineers or appropriate Air Matériel Area, as the case may be.)

(b) Classifications requested will be limited to those which it is reasonably sure will be used.

(c) Check will be made with local contractors or contractors' associations, unions, Federal, State, and local officials, and written statements regarding wage rates paid locally should be obtained and forwarded. Statements should include approximate number of employees in each classification requested. Copies of signed collective bargaining agreements should be obtained from union representatives and forwarded.

(d) Copies of pay rolls on Federal contract construction in progress or recently performed under your jurisdiction including pay-roll data on other Federal contracts in the locality, if available, will be forwarded.

(e) In emergency, requests may be made by teletype or telephone stating reason for emergency.

(f) Date bids are to be opened and latest date that rates are required should be set forth.

(g) Predeterminations expire 90 days after date thereof. If bids are not to be opened by expiration date, a request for a review of the predetermination must be made.

* * * * *

§ 809.604 *Interpretations not found in publications furnished contracting officers.* * * *

(d) The Department of Labor, effective September 17, 1948, added a new Article 105 (following Article 104) on page 56 of Rulings and Interpretations No. 3, reading as follows:

ART. 105. (*Protection against unintentional employment of underage minors*). An employer shall not be deemed to have knowingly employed an underage minor in the performance of contracts subject to the act if, during the period of the employment of such minor, the employer has on file an unexpired certificate of age issued and held pursuant to regulations issued by the Secretary of Labor under section 3 (1) of the Fair Labor Standards Act of 1938 (29 CFR, Part 401), showing that such minor is at least 16 years of age, if a male, or at least 18 years of age, if a female.

(e) The Department of Labor, effective September 17, 1948, amended paragraph (b) of Article 501 (Records of Employment) on page 56 of Rulings and Interpretations No. 3, to read as follows:

(b) Date of birth of each employee under 19 years of age; and if the employer has obtained a certificate of age as provided in Article 105, there shall also be recorded the title and address of the office issuing such certificate, the number of the certificate, if any, the date of its issuance, and the name, address and date of birth of the minor, as the same appears on the certificate of age.

(f) The Department of Labor, under date of October 15, 1948, amended the list of perishables contained in section 11 (h) page 7 of Rulings and Interpretations No. 3, so as to change the item of "Eggs, shell, frozen or dehydrated" to read "Eggs: shell, frozen; dried, powdered or dehydrated (except when packed with inert gas in hermetically sealed cans)." The amendment further adds to the list of nonperishables contained in section 11 (i) page 8 of Rulings and Interpretations No. 3 the item: "Eggs: dried, powdered, or dehydrated when packed with inert gas in hermetically sealed cans."

* * * * *

§ 809.1202-4 *Men's hat and cap industry*—(a) *Cap and cloth hat branch.* The cap and cloth hat branch of the men's cap and hat industry shall be defined as the manufacture and supply of men's and boys' hats (other than fur-felt) and caps, hat and cap covers, cap frames, helmets and hoods, and women's hat and cap products of similar construction and design: *Provided, however* That the definition shall not include the following types of hats and caps: Leather and sheep-lined; washable service (such as cooks' bakers' hospital, etc.) rainwear; straw; knitted; metal; molded plastic; vulcanized fiber; and similar types.

Date effective. November 16, 1948.

Wage. 85 cents per hour or $34.00 per week of 40 hours, arrived at either upon a time or piece work basis.

Wage (auxiliary workers). 65 cents an hour or $26.00 per week of 40 hours, arrived at either upon a time or piece work basis.

There shall be no limitation upon the number or proportion of auxiliary workers employed in the cap and cloth hat branch of the industry.

* * * * *

(b) *Definition of "auxiliary workers"* The term "auxiliary workers" as applied to the employees in the uniform cap and stitched hat branches of the industry shall include only those employees engaged in auxiliary occupations enumerated and defined as follows. Learners may be employed in the nonauxiliary occupations of machine operating, cutting, blocking, pressing, and overhand sewing for not longer than 240 hours at subminimum rates (not less than 67.5 cents an hour, or $27.00 per week of 40 hours, or the applicable piece rate if higher than 67.5 cents an hour) only in accordance with the present applicable regulations, as amended October 13, 1948, issued by the Secretary of Labor:

* * * * *

(c) *Fur-felt hat branch.*

Wage. 67.5 cents an hour or $27.00 per week of 40 hours, arrived at either upon a time or piece work basis.

A tolerance of not more than 20 percent of the employees in any one factory whose activities at any given time are subject to the provisions of the Walsh-Healey Public Contracts Act is permitted for auxiliary workers in the fur-felt hat branch of the men's hat and cap industry.

Wage (auxiliary workers). 40 cents an hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis.

* * * * *

2. In § 809.1202-42, paragraph (j) is rescinded, and the material immediately following paragraph (j) is amended to read as follows:

§ 809.1202-42 *Textile industry.* * * *

(j) (Rescinded)

Date effective. November 16, 1948.

Wage. 87 cents an hour or $34.80 for a week of 40 hours, arrived at on a time or piece work basis.

Learners may be employed in the occupations of machine operating, machine tending, machine fixing, and jobs immediately incidental thereto, for not longer than 240 hours at subminimum rates (not less than 80 cents an hour or $32.00 per week of 40 hours, or the applicable piece rate if higher than 80 cents an hour) only in accordance with the present applicable regulations, as amended October 13, 1948, by the Secretary of Labor.

[Proc. Cir. 34, 1948] (Pub. Law 413, 80th Cong.)

[SEAL] EDWARD F WITSELL,
Major General,
The Adjutant General.

[F. R. Doc. 48-11118; Filed, Dec. 21, 1948; 8:50 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

[S. O. 68, Amdt. 20]

PART 95—CAR SERVICE

FOLLOW-LOT RULE AND TWO-FOR-ONE RULE

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 15th day of December, A. D. 1948.

Upon further consideration of the provisions of Service Order No. 68 (8 F. R. 8513) as amended (8 F. R. 8513, 14224, 16265; 9 F. R. 7206, 14306; 10 F. R. 6040, 8142, 9720, 12090; 11 F R. 562, 6983; 12 F R. 46, 3837, 4719, 4886, 8774; 13 F. R. 3185, 3738) and good cause appearing therefor: It is ordered, that:

Section 95.15 *Suspension of follow-lot rule and two-for-one rule,* of Service Order No. 68, as amended, be, and it is hereby, further amended by substituting the following paragraph (e) for paragraph (e) thereof:

(e) *Expiration date.* This section as amended shall expire at 11:59 p. m., July 15, 1949, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 12:01 a. m., December 19, 1948; that a copy of this order and direction be served upon the State railroad regulatory bodies of each State, and upon the Association of American Railroads, Car Service Division, as Agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W. P BARTEL,
Secretary.

[F. R. Doc. 48-11116; Filed, Dec. 21, 1948; 8:50 a. m.]

[Rev. S. O. 87, Amdt. 2]

PART 95—CAR SERVICE

FREE TIME REDUCED ON COAL AT NORTH ATLANTIC PORTS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 15th day of December A. D. 1948.

Upon further consideration of the provisions of Revised Service Order No. 87 (13 F R. 3277) as amended (13 F. R. 3358) and good cause appearing therefor: *It is ordered,* That:

Revised Service Order No. 87, as amended (codified as § 95.500) be, and it is hereby further amended by substituting the following paragraph (c) for paragraph (c) thereof:

(c) This section, as amended, shall expire at 7:00 a. m., July 15, 1949, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

It is further ordered, That this amendment shall become effective at 7:00 a. m., December 31, 1948; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W P. BARTEL,
Secretary.

[F. R. Doc. 48-11113; Filed, Dec. 21, 1948; 8:49 a. m.]

[S. O. 95, Amdt. 10]

PART 95—CAR SERVICE

REFRIGERATOR CAR AGENT

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 15th day of December A. D. 1948.

Upon further consideration of the provisions of Service Order No. 95 (7 F R. 9257), as amended (8 F R. 17428; 10 F. R. 15175, 15354; 11 F R. 4038, 6909; 12 F. R. 47, 4000, 8837; 13 F. R. 3520), and good cause appearing therefor: *It is ordered,* That:

Service Order No. 95, as amended, be, and it is hereby, further amended by substituting the following paragraph (d) of § 95.302 *Refrigerator car agent,* for paragraph (d) thereof.

(d) This section, as amended, shall expire at 11:59 p. m., July 15, 1949, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

It is further ordered, That this amendment shall become effective at 12:01 a. m., December 18, 1948; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the Railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W P BARTEL,
Secretary.

[F. R. Doc. 48-11114; Filed, Dec. 21, 1948; 8:49 a. m.]

[Rev. S. O. 107, Amdt. 6]

PART 95—CAR SERVICE

FREIGHT CARS TO MEXICO

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 15th day of December A. D. 1948.

Upon further consideration of Revised Service Order No. 107 (9 F. R. 15158) as amended (10 F. R. 10234; 11 F. R. 2190; 12 F. R. 47; 4000, 13 F. R. 31) and good cause appearing therefor: *It is ordered*, That:

Revised Service Order No. 107, as amended, be, and it is hereby, further amended by substituting the following paragraph (d) of § 95.7 *Freight Cars including refrigerator cars in Mexico*, for paragraph (d) thereof:

(d) *Expiration date.* This section shall expire at 11:59 p. m., July 2, 1949, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

It is further ordered, That this order shall become effective at 11:59 p. m., December 30, 1948; that copies of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 48-11115; Filed, Dec. 21, 1948; 8:49 a. m.]

[S. O. 760A]

PART 97—ROUTING

REROUTING OF TRAFFIC

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 15th day of December A. D. 1948.

Upon further consideration of Service Order No. 760 (12 F. R. 4439), as amended (12 F. R. 5555; 13 F. R. 668; 13 F. R. 4747) and good cause appearing therefor: *It is ordered*, That:

Section 97.760 *Rerouting*, of Service Order No. 760, be, and it is hereby, vacated and set aside.

It is further ordered, That this amendment shall become effective at 12:01 a. m., December 20, 1948; that a copy of this order be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 48-11117; Filed, Dec. 21, 1948; 8:50 a. m.]

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

Subchapter C—Management of Wildlife Conservation Areas

ADDITION OF MATERIAL TO TITLE

The following sections are added to the respective parts under Title 50—Wildlife (13 F. R. 7432)

PART 31—PACIFIC REGION

§ 31.1 *List of States.* The Pacific Region is comprised of the States of California, Idaho, Montana, Nevada, Oregon, and Washington.

PART 32—SOUTHWESTERN REGION

§ 32.1 *List of States.* The Southwestern Region is comprised of the States of Arizona, Colorado, Kansas, New Mexico, Oklahoma, Texas, Utah, and Wyoming.

PART 33—CENTRAL REGION

§ 33.1 *List of States.* The Central Region is comprised of the States of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin.

PART 34—SOUTHEASTERN REGION

§ 34.1 *List of States.* The Southeastern Region is comprised of the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.

PART 35—NORTHEASTERN REGION

§ 35.1 *List of States.* The Northeastern Region is comprised of the States of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.

PART 36—ALASKA REGION

§ 36.1 *Territory included.* The Alaska Region is comprised of the Territory of Alaska.

(R. S. 161, 5 U. S. C. 22; sec. 3, Reorg. Plan III of 1940, 5 F. R. 2107, 3 CFR 1943 Cum. Supp.)

Dated: December 16, 1948.

O. H. JOHNSON, *Acting Director.*

[F. R. Doc. 48-11101; Filed, Dec. 21, 1948; 8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Bureau of Internal Revenue

[26 CFR, Part 316]

[Regs. 46]

EXEMPTION FROM TAX OF MUSICAL INSTRUMENTS SOLD FOR USE OF RELIGIOUS OR NONPROFIT EDUCATIONAL INSTITUTIONS FOR EXCLUSIVELY RELIGIOUS OR EDUCATIONAL PURPOSES

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form in the attached appendix are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 3404 (d) of the Internal Revenue Code as amended by section 5, Public Law 899 (80th Congress), approved July 3, 1948, and section 3791 of the Internal Revenue Code (53 Stat. 467, 26 U. S. C. 3791)

[SEAL] FRED S. MARTIN, *Acting Commissioner of Internal Revenue.*

In order to conform Regulations 46 (1940 edition) (26 CFR, Part 316), to sections 5 and 6 of Public Law 899 (80th Cong.), approved July 3, 1948, such regulations are amended as follows:

PARAGRAPH 1. There is inserted immediately preceding § 316.60 the following:

PUBLIC LAW 899 (80th Cong.), approved July 3, 1948.

SEC. 5. That section 3404 (d) of the Internal Revenue Code (relating to manufacturers' excise taxes on musical instruments) is hereby amended to read as follows:

(d) Musical instruments, but the tax imposed by this section shall not apply to musical instruments sold for the use of any religious or nonprofit educational institution for exclusively religious or educational purposes. The right to exemption under this subsection shall be evidenced in such manner as the Commissioner, with the approval of the Secretary, may prescribe by regulations.

PAR. 2. Section 316.63, as amended by Treasury Decision 5189, approved No-

vember 30, 1942, is further amended by adding at the end thereof the following new paragraphs:

By virtue of the provisions of section 5 of Public Law 899 (80th Congress) no tax attaches to musical instruments sold by the manufacturer on or after July 4, 1943, for the use of any religious or nonprofit educational institution for exclusively religious or educational purposes, except that no sale of musical instruments may be made tax free by the manufacturer to a dealer for resale for the use of a religious or nonprofit educational institution even though it is known at the time of the sale that such resale will be made. However, where any dealer resells tax-paid musical instruments to a religious or nonprofit educational institution for exclusively religious or educational purposes, the manufacturer who paid the tax may secure a refund or credit in accordance with § 316.204.

To constitute a religious or nonprofit educational institution within the meaning of section 3404 (d) of the Code (1) there must be a definite organization with officers, directors, or trustees, and the usual essential features (incorporation not being essential) of an organization of its class; (2) the organization must have a purpose which as put into practice is religious or educational and (3) in the case of an educational institution its funds must be used solely in furtherance of such purpose, none of them being paid or otherwise distributed to any of its members or other persons except as reasonable compensation for services actually rendered or in furtherance of the educational purposes of the organization.

To establish the right to exemption from tax on the ground that a sale of musical instruments by the manufacturer is for the use of a religious or nonprofit educational institution for exclusively religious or educational purposes, it is necessary that (1) the manufacturer at the time of sale have definite knowledge that the purchaser is such an institution and that it intends to use the instruments exclusively for such purposes, and (2) he obtain from the purchaser and retain in his possession a certificate properly executed in the form prescribed by this section.

The manufacturer must be prepared to establish by further competent evidence that the purchaser is an institution to which tax-free sale may properly be made. However, in case of a church such further evidence is not necessary to establish the fact that it is a religious institution. A statement from the purchaser that it has received a ruling from the Commissioner holding it to be a religious or nonprofit educational institution entitled to exemption under section 101 (6) of the Code (relating to income tax) which shows the date of the ruling and that it has not been withdrawn or revoked is generally acceptable to support tax-free sale thereto. Where the status of the institution as one to which tax-free sale may properly be made is not established by a ruling under section 101 (6) or in some other manner as previously indicated in this section, the institution may apply to the Commissioner for a ruling. The application for a ruling may be made by filing with the collector Form 1023, relating to exemption under section 101 (6) The collector will forward the application to the Commissioner for ruling. Copies of the form and instructions as to the procedure to be followed in filing it may be procured from the appropriate collector. In the absence of circumstances indicating a different use, the exemption certificate procured by the manufacturer from the religious or nonprofit educational institution may be accepted as prima facie proof that the musical instrument is purchased for exclusively religious or educational purposes.

Where a sale is otherwise exempt but the certificate is not obtained prior to the time the manufacturer files a return covering taxes for the month during which the sale is made, the manufacturer must include the tax on such sale in such return. However, if the certificate is later obtained, a claim for refund of the tax paid on such sale may be filed on Form 843, or a credit taken upon a subsequent return, but such action must be taken within the four-year period of limitation prescribed by section 3313. See § 316.204.

The certificate must include an agreement that if the musical instruments are used otherwise than by a religious or nonprofit educational institution for exclusively religious or educational purposes, the person who signs the certificate will report such fact to the manufacturer. The tax applicable to the sale of the instruments shall be included by the manufacturer in his return for the month during which such report is received by him.

The following form of exemption certificate will be acceptable for the purposes of this section and must be adhered to in substance:

EXEMPTION CERTIFICATE

(For use by a religious or nonprofit educational institution purchasing musical instruments subject to tax under section 3404 (d) of the Internal Revenue Code for exclusively religious or educational purposes.)

----------, 19-----.
(Date)

The undersigned purchaser hereby certifies that he is ----------of
(Title)

----------, ----------,
(Religious or nonprofit educational institution.)

that he is authorized to execute this certificate; and that the musical instruments specified in the accompanying order or on the reverse side hereof, are purchased by such institution for exclusively religious or educational purposes.

It is understood that this exemption certificate is for use only by a religious or nonprofit educational institution in the tax-free purchase of musical instruments for exclusively religious or educational purposes; and it is agreed that if the musical instruments purchased tax free under this exemption certificate are used otherwise, such fact will be reported to the manufacturer from whom they were purchased tax free.

The organization claiming this exemption (has) (has not) received a ruling from the Bureau of Internal Revenue holding it to be an exempt religious or nonprofit educational institution under section 101 (6) of the Internal Revenue Code. The date of such ruling is ---------- and such ruling has not been withdrawn or revoked.

(Signature)----------
(Title)

The fraudulent use of this certificate for the purpose of securing exemption from the payment or adjustment of taxes will subject the guilty party to a fine of not more than $10,000 or imprisonment for not more than 5 years or both.

Such certificates and proper records of invoices, orders, etc., relative to tax-free sales must be retained as provided in § 316.202 and must be readily accessible for inspection by internal revenue officers. If a manufacturer's records with respect to any sale claimed to be tax-free under this section do not include a proper certificate, as outlined above, with supporting invoices and such other evidence as may be necessary to establish the exempt character of the sale, tax is payable by the manufacturer on such sale.

PAR. 3. Immediately preceding section 316.204, as amended by Treasury Decision 5348, approved March 15, 1944, there is inserted the following:

PUBLIC LAW 899 (80th Cong.) approved July 3, 1948.

SEC. 6. Section 3443 (a) (3) (A) (i) of the Internal Revenue Code (relating to credits and refunds) is hereby amended to read as follows:

(i) Resold for the exclusive use of any State, Territory of the United States, or any political subdivision of the foregoing, or of the District of Columbia, or, in the case of musical instruments embraced in section 3404 (d), resold for the use of any religious or nonprofit educational institution for exclusively religious or educational purposes;.

PAR. 4. Section 316.204 is amended by adding at the end of the fifth paragraph thereof the following sentence: "The refund or credit with respect to musical instruments resold to a religious or nonprofit educational institution for exclusively religious or educational purposes under section 3443 (a) (3) (A) (i) of the Internal Revenue Code, as amended by Public Law 899 (80th Congress), applies only to resales of such instruments on or after July 4, 1948, to the institutions named and for the purposes stated, and except for application of the statutory period of limitations upon credit or refund, the date of the original sale by the manufacturer is not material."

[F. R. Doc. 48-11122; Filed, Dec. 21, 1948; 8:57 a. m.]

CIVIL AERONAUTICS BOARD

[14 CFR, Part 60]

AIR TRAFFIC RULES

NOTICE OF PROPOSED RULE MAKING

Pursuant to authority delegated by the Civil Aeronautics Board to the Bureau of Safety Regulation, notice is hereby given that the Bureau will propose to the Board amendments of Part 60 of the Civil Air Regulations as hereinafter set forth. These proposals are the result of consideration given to problems on which public comment was invited in Draft Release 48-4 entitled, "Implementation of the International Rules of the Air (An-

nex 2 to the Convention of International Civil Aviation)" which was circulated to the industry on September 3, 1948.

Interested persons may participate in the making of the proposed rules by submitting such written data, views, or arguments as they may desire. Communications should be submitted to the Civil Aeronautics Board, attention Bureau of Safety Regulation, Washington 25, D. C. All communications received prior to December 30, 1948, will be considered by the Board before taking further action on the proposed rule.

The International Civil Aviation Organization (ICAO) established under the Convention on International Civil Aviation, has, among other responsibilities, the responsibility of recommending world-wide standards for certain aviation practices. As a member of the Organization, the United States has taken active part in the process of deciding upon such international standards.

On April 15, 1948, ICAO adopted Annex 2 "Rules of the Air" as an international standard. As provided in the Convention on International Civil Aviation, adoption of this document followed the democratic process of submission to vote of the member states on the Council and was favored by more than the required two-thirds of such states. It was then submitted for consideration by each of the member states of the Organization, none of whom signified their disapproval of the document. Thus, by the terms of the Convention, Annex 2 will come into force as an international standard on January 1, 1949.

The United States, as a member state of ICAO, must take action to bring the Civil Air Regulations into agreement with the International Rules of the Air or file notice of differences with the Organization. As a result of the comments received on Draft Release 48-4 and the study made by the governmental agencies of the various provisions of Annex 2, certain differences have been filed with the Organization. It is intended that the public be fully advised in another document as to the differences filed by the United States.

The following four proposals are the amendments of Part 60 which the Bureau believes should be made to that part in accordance with the requirements of Annex 2.

(1) The first proposal is to indicate by an explanatory note in Part 60 that the International Rules of the Air govern flight of aircraft over the high seas and within the territory of an ICAO member state with such differences from the international rules as such state may elect to establish.

The reason for recommending that such a provision be included in Part 60 is the necessity of the United States as a signatory nation to the International Convention of Civil Aviation to conform to Article 12 of that agreement. This article provides that each contracting state shall undertake to insure that every aircraft of its nationality shall comply with the rules and regulations relating to flight which are in effect in the territory where such aircraft is operated. Article 12 further provides that over the high seas the rules established under the terms of the Convention shall be the rules in force.

(2) The second proposal is to substitute the Annex 2 definition of "expected approach time" for our definition of "approach time". This does not require any substantive change in our regulations but requires an editorial change in § 60.308 (b) where it is necessary to substitute the term "expected approach time" for "approach time" It is our opinion that the international definition of "expected approach time" is a more logical one for the purpose in which it is used than the current definition of "approach time" in the Civil Air Regulations.

(3) The third proposal is to amend § 60.301 by adding a new paragraph (n) which would require an IFR flight plan for international flights to give the number of persons on board. This provision is required by the terms of Article 12.

(4) The fourth proposal is to add a note to Part 60 which would indicate that the international visual distress and urgency signals are contained in the CAA Flight Information Manual. It is believed that such a note is sufficient to satisfy the international requirements in respect to these signals.

It is proposed to amend Part 60 as follows:

1. By adding a note under § 60.0 *General*, to read as follows:

NOTE: The International Rules of the Air, established under the Convention on International Civil Aviation, are the rules governing flight of aircraft over the high seas. These rules are also applicable to aircraft operating within the territory of a contracting state of ICAO or with such differences from the international rules as such states may elect to establish.

2. By amending paragraph (b) of § 60.308 to read as follows:

(b) Proceed according to the latest air traffic clearances to the radio facility serving the airport of intended landing, maintaining the minimum safe altitude or the last acknowledged assigned altitude whichever is higher. Descent shall start at expected approach time last authorized or, if not received and acknowledged, at the estimated time of arrival indicated by the elapsed time specified in the flight plan.

3. By amending § 60.910 to read as follows:

§ 60.910 *Expected approach time.* The time at which it is expected that an arriving aircraft will be cleared to commence approach for a landing.

4. By adding a new paragraph (n) to § 60.301 to read as follows:

(n) The number of persons on board (for international flights only).

5. By adding a second note under § 60.113 to read as follows:

NOTE: International visual distress and urgency signals are contained in the CAA Flight Information Manual for sale by the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C.

These amendments are proposed under the authority of Title VI of the Civil Aeronautics Act of 1938, as amended.

(Secs. 205 (a), 601-610, 52 Stat. 984, 1007-1012; 49 U. S. C. 425 (a) 551-560)

Dated December 17, 1948, at Washington, D. C.

By the Bureau of Safety Regulations.

[SEAL] JOHN M. CHAMBERLAIN, *Director.*

[F. R. Doc. 48-11169; Filed, Dec. 21, 1948; 9:04 a. m.]

NOTICES

NATIONAL MILITARY ESTABLISHMENT

ORGANIZATION AND FUNCTIONS

(1) *Creation and authority.* The National Military Establishment was created by the National Security Act of 1947 (61 Stat. 495) approved July 26, 1947. The Establishment consists of the Office of the Secretary of Defense, the Department of the Army, Department of the Navy, and the Department of the Air Force, together with other agencies created by Title II of the act—the Joint Chiefs of Staff, the War Council, the Munitions Board, and the Research and Development Board.

(2) *Purpose.* The National Military Establishment was created as part of a comprehensive program designed to provide for the future security of the United States through the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security. The National Military Establishment provides for the authoritative coordination and unified direction under civilian control of three military departments for the operation and administration of the Army, the Navy (including naval aviation and the United States Marine Corps) and the Air Force, with their assigned combat and service components; it provides for the effective strategic direction of the armed forces and for their operation under unified control and for their integration into an efficient team of land, naval and air forces.

(3) *Office of the Secretary of Defense—A. The Secretary of Defense.* The Secretary of Defense is the principal assistant to the President in all matters relating to the national security. He is

appointed from civilian life by the President by and with the advice and consent of the Senate. Under direction of the President and subject to the provisions of the National Security Act, he performs the following duties:

1. Establishes general policies and programs for the National Military Establishment and for all of the departments and agencies therein;

2. Exercises general direction, authority, and control over such departments and agencies;

3. Takes appropriate steps to eliminate unnecessary duplication or overlapping in the fields of procurement, supply, transportation, storage, health and research;

4. Supervises and coordinates the preparation of the budget estimates of the departments and agencies comprising the National Military Establishment; formulates and determines the budget estimates for submittal to the Bureau of the Budget; and supervises budget programs of such departments and agencies under the applicable appropriation acts.

B. *Special assistants to the Secretary of Defense.* In accordance with the provisions of the National Security Act, the Secretary has appointed three special assistants to advise and assist him in the performance of his duties. In addition to acting as advisors to the Secretary, the three special assistants are responsible for the operations of the Office of the Secretariat, Office of Counsel, Office of Legislative Liaison, Office of the Budget, Office of Accounting Policy, Office of Progress Reports and Statistics, and the Administrative Office.

C. *Office of the Secretariat.* The Office of the Secretariat is responsible for providing secretariat services for the War Council and other related or subsidiary committees, and for other groups established to undertake special studies on behalf of the Secretary of Defense; for facilitating coordination of the activities of such boards and staffs as the Joint Chiefs of Staffs, Research and Development Board and Munitions Board; and for relating the activities of the Office of the Secretary of Defense with those of other Government agencies.

D. *Office of Counsel.* The Office of Counsel serves as general counsel for the Secretary of Defense and his office; provides legal services to the Office of the Secretary of Defense and associated boards and staffs; and on National Military Establishment legislative matters, provides legal and policy service on the substance, processing and coordination of legislative proposals originating in the National Military Establishment or requested by the Bureau of the Budget or Committees of Congress.

E. *Office of Legislative Liaisons.* The Office of Legislative Liaison serves as official representative of the Secretary of Defense in monitoring and expediting legislative matters being considered by the Congress of the United States. Within and among National Military Establishment departments and boards, expedites the processing and coordination of comments and reports on legislation considered essential by the Secretary of Defense.

F. *Office of the Budget.* The Office of the Budget is responsible for supervising and coordinating the preparation of budget estimates of the National Military Establishment; for formulating and determining the budget estimates for submittal to the Bureau of the Budget and Congress; and for supervising the budget programs of the departments and agencies comprising the National Military Establishment, including recommendations on the apportionment of funds, and the allocation of and review of allotments of appropriated funds.

G. *Office of Accounting Policy.* The Office of Accounting Policy is responsible for initiating and developing accounting policies, principles and systems, including financial procedures, within the National Military Establishment.

H. *Office of Progress Reports and Statistics.* The Office of Progress Reports and Statistics is responsible for the development of a complete and integrated statistical program, including the development of reports, charts and schedules, for use in apprising the Secretary of Defense and his staff of the progress of work and status of operations in the National Military Establishment.

I. *Administrative Office.* The Administrative Office is responsible for the personnel, budget and finance, office service, security and organization and methods functions in all agencies of the National Military Establishment, except for the Departments of the Army, Navy and Air Force.

J. *Office of Public Information.* The Office of Public Information is responsible for developing and coordinating overall public information policy for the National Military Establishment and for advising the Secretary on all public information matters.

K. *Office of Civil Defense Planning.* The Office of Civil Defense Planning is responsible for developing detailed plans for an integrated national program of civil defense.

L. *Military Liaison Committee to the Atomic Energy Commission.* The Military Liaison Committee to the Atomic Energy Commission serves as a staff agency of the Secretary on atomic energy matters, is responsible for advising the Atomic Energy Commission on matters relating to the military application of atomic energy, and for keeping the Secretary informed of all matters under the cognizance of the Atomic Energy Commission which affect the National Military Establishment.

(4) *Joint Chiefs of Staff.* A. Subject to the authority and direction of the President and the Secretary of Defense, it is the duty of the Joint Chiefs of Staff (Chief of Staff, United States Army; Chief of Naval Operations; Chief of Staff, United States Air Force; and the Chief of Staff to the Commander in Chief, if there be one) to prepare strategic plans and to provide for the strategic direction of the military forces; to prepare joint logistic plans and to assign to the military services logistic responsibilities in accordance with such plans; to establish unified commands in strategic areas when such unified commands are in the interest of national security; to formulate policies for the joint training of the military forces; to formulate policies for coordinating the education of members of the military forces; to review major material and personnel requirements of the military forces, in accordance with strategic and logistic plans; and to provide United States representation on the Military Staff Committee of the United Nations in accordance with the provisions of the Charter of the United Nations.

B. *Joint Staff.* The Joint Staff, operating under the Director, Joint Staff, and organized into the Joint Strategic Plans Group, the Joint Logistic Plans Group and the Joint Intelligence Group, performs such duties as may be directed by the Joint Chiefs of Staff.

C. *Joint Chiefs of Staff Committees.* The Joint Strategic Survey Committee, Joint Strategic Plans Committee, Joint Logistic Plans Committee, Joint Military Transportation Committee, Joint Munitions Allocation Committee, Joint Civil Affairs Committee, Joint Intelligence Committee, Joint Communications-Electronics Committee and the Joint Meteorological Committee advise the Joint Chiefs of Staff on matters within their purview and participate in the preparation of strategic and logistic plans.

D. *Representatives of Joint Chiefs of Staff on Military Staff Committee of United Nations.* This group is responsible for providing United States representation on the Military Staff Committee of the United Nations in accordance with the provisions of the Charter of the United Nations.

(5) *War Council.* The War Council (composed of the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Chief of Staff, U. S. Army, the Chief of Naval Operations, and the Chief of Staff, U. S. Air Force) is responsible for advising the Secretary of Defense on matters of broad policy relating to the armed forces, and for considering and reporting on such matters as the Secretary of Defense may direct.

(6) *Research and Development Board.* A. Under the direction of the Secretary of Defense it is the duty of the Research and Development Board, composed of the Chairman, who is the head thereof, and two representatives from each of the Departments of the Army, Navy, and Air Force, to prepare a complete and integrated program of research and development for military purposes; to advise with regard to trends in scientific research relating to national security and the measures necessary to assure increasing progress; to recommend measures of coordination of research and development among the military departments, and allocation among them of responsibilities for specific programs of joint interest; to formulate policy for the National Military Establishment in connection with research and development matters involving agencies outside the National Military Establishment; and to consider the interaction of research and development and strategy, and to advise the Joint Chiefs of Staff in connection therewith.

B. *The Executive Secretary.* The Executive Secretary is responsible to the

Board for preparing, in accordance with Board directives and policies, a complete, integrated and unified program of research and development for the National Military Establishment, including recommendation of funds therefor; and for directing the activities of the staff of the Research and Development Board in evaluating the results of the research and development programs of the military departments.

C. *Programs Division.* The Programs Division is responsible to the Executive Secretary for assisting in conducting investigations and providing information in the fields of research and development; for formulating procedures covering the responsibilities of the Board with reference to research and development budget matters of the National Military Establishment; for collecting, cataloging and evaluating data on the military research and development programs; for providing technical legislative service to the Board; for formulating Research and Development Board intelligence policies; and for formulating policies and procedures to govern the Board's review of research and development facilities available for Service programs.

D. *Planning Division.* The Planning Division is responsible to the Executive Secretary for insuring a balanced relationship between research and development programs and strategic requirements; for drafting the annual master plan for research and development; for preparing consolidated estimates of the technical performance of proposed weapons systems; and for insuring that the Board gives adequate consideration to the research and development programs of the National Military Establishment.

E. *Committees.* The research and development committees are responsible for conducting continuous study, evaluation, improvement and allocation of research and development plans and programs in their respective fields, in relation to the over-all aims of the national defense effort and to the available and potential store of scientific information, personnel, and facilities, leading to the formulation of integrated research and development programs.

LIST OF COMMITTEES

Aeronautics.
Atomic Energy.
Basic Physical Sciences.
Chemical Warfare.
Electronics.
Equipment and Materials.
Fuels and Lubricants.
Geophysics and Geography.
Guided Missiles.
Human Resources.
Medical Sciences.
Navigation.
Ordnance.
Vessels.
Other Special and Ad Hoc Committees.

(7) *Munitions Board.* A. The Munitions Board, composed of the Chairman, who is the head thereof, the Assistant Secretary of the Army, the Under Secretary of the Navy, and the Under Secretary of the Air Force, under the direction of the Secretary of Defense and in support of strategic and logistic plans prepared by the Joint Chiefs of Staff, is responsible for coordinating the appropriate activities within the National Military Establishment with regard to industrial matters, including the procurement, production, and distribution plans of the departments and agencies comprising the Establishment; for planning for the military aspects of industrial mobilization; for recommending assignment of procurement responsibilities among the several military services and to plan for standardization of specifications and for the greatest possible allocation of purchase authority of technical equipment and common use items on the basis of single procurement; for preparing estimates of potential production, procurement, and personnel for use in evaluating the logistic feasibility of strategic operations; for determining the relative priorities of the various segments of the military procurement programs; for supervising such subordinate agencies as are or may be created to consider the subjects falling within the scope of the Board's responsibilities; for making recommendations to regroup, combine or dissolve existing interservice agencies operating in the fields of procurement, production and distribution in such manner as to promote efficiency and economy; for maintaining liaison with other departments and agencies for the proper correlation of military requirements with the civilian economy, particularly in regard to the procurement or disposition of strategic and critical material and the maintenance of adequate reserves of such material, and to make recommendations as to policies in connection therewith; for assembling and reviewing material and personnel requirements presented by the Joint Chiefs of Staff and those presented by the production, procurement, and distribution agencies assigned to meet military needs, and to make recommendations thereon to the Secretary of Defense; and to perform such other duties as the Secretary of Defense may direct.

B. *Committees.* In its operations the Munitions Board utilizes inter-agency committees and industry advisory committees organized by and under its jurisdiction. These committees are responsible for the continuous study of problems related to procurement planning and operations, to the military aspects of industrial mobilization planning, and to other phases of military preparedness coming within the purview of the Munitions Board. Committees make recommendations bearing upon available and potential military and industrial resources, their relation to national defense, and the formulation of integrated military and economic programs. The Munitions Board, through its Committee on Facilities and Services, makes studies and recommendations respecting the consolidation and common use of facilities and services by the three Departments and monitors their activities in this field. The Munitions Board Aircraft Committee is responsible for the planning and coordination of combined aircraft programs, including consolidation of requirements, standardization, the allocation and relocation of facilities, and the determination of industrial impact of these programs.

C. *Director of the Staff.* The Director of the Staff exercises general supervision over the staff of the Board and coordinates the activities of the Board.

D. *Program Analysis Division.* The Program Analysis Division is responsible for maintaining constant review of logistic plans and programs; for monitoring, coordinating and analyzing surveys as directed; for developing the agenda for and maintaining minutes of meetings of the Munitions Board; for providing staff assistance to the Committee on Facilities and Services; and for serving as the Secretariat for the Aircraft Committee.

E. *Statistics Division.* The Statistics Division is responsible for coordinating the reports program of the Munitions Board, furnishing statistical data and progress reports designed to show the progress of the programs of the Board and the logistic operations of the military departments.

F. *Procurement Division.* The Procurement Division is responsible for recommending procurement procedures and policies for the National Military Establishment; for recommending assignment to the Services of procurement responsibilities; for supervising the Cataloging and Standards Programs of the National Military Establishment; for preparing plans governing the military aspects of industrial mobilization planning with respect to procurement and distribution policies and procedures; and for coordinating the supply distribution programs of the National Military Establishment.

G. *Manpower and Utilities Division.* The Manpower and Utilities Division is responsible for maintaining current and mobilization estimates of personnel and utilities capabilities and analyzing and reviewing requirements of the National Military Establishment insofar as they pertain to manpower and utilities; for analyzing the plans of the National Security Resources Board to determine adequacy of provisions made for the National Military Establishment requirements for manpower and utilities; for developing policies and procedures for translating end item requirements into requirements for manpower and utilities; for preparing plans governing the military aspects of industrial mobilization with respect to the allocation of skilled personnel and public utilities service; and for developing policies and procedures for military relationships with civilian control agencies.

H. *Materials Division.* The Materials Division is responsible for maintaining current estimates of potential production and procurement of materials and analyzing and reviewing current and mobilization requirements of the National Military Establishment for materials; for analyzing plans of the National Security Resources Board to determine adequacy of provisions made for National Military Establishment requirements for materials; for developing policies and procedures for translating end item requirements into raw materials; for preparing plans governing the military aspects of industrial mobilization with respect to apportionment of scarce materials; and for exercising for the National Military

Establishment duties with regard to stockpiling of strategic and critical materials.

I. *International Division.* The International Division is responsible for maintaining data on foreign aid programs and for formulating policies for the National Military Establishment with respect to foreign economy policy, foreign trade, economic warfare and related matters; for presenting the views of the National Military Establishment before those agencies concerned with international trade; and for coordinating Munitions Board consideration of foreign military matters related to industrial mobilization planning.

J. *Military Requirements Division.* The Military Requirements Division is responsible for reviewing and coordinating on an overall basis the current and mobilization requirements programs of the Services and preparing for presentation to the Secretary a coordinated military requirements program in support of logistic plans; for evaluating the feasibility of logistic plans from an industrial standpoint; and for determining relative priorities of various segments of the military requirements program.

K. *Facilities Division.* The Facilities Division is responsible for maintaining current estimates of potential production capabilities of end items, assemblies and components; for analyzing the plans of the National Security Resources Board to determine the adequacy of provisions made for the National Military Establishment requirements for productive equipment; for developing policies and procedures for translating end item requirements into requirements for industrial facilities; for coordinating National Military Establishment policies on the acquisition, construction, use and disposal of industrial plants, facilities, and equipment; for preparing plans governing military aspects of industrial mobilization with respect to allocation of industrial facilities; for allocating industrial productive capacity to the military departments; for formulating policies and programs for the maintenance of adequate reserves of industrial facilities, machine tools and industrial equipment; and for formulating industrial security policies and procedures to minimize losses of industrial and related resources essential to logistic support of a war program.

(8) *Departments of the Army, Navy and Air Force.* Material on the organization and functions of the Army, Navy and Air Force is published elsewhere in the FEDERAL REGISTER.

(9) *Places of business.* Requests for information regarding the Office of the Secretary of Defense, the Joint Chiefs of Staff, the War Council, the Research and Development Board, and the Munitions Board should be addressed to the agencies named at Washington 25, D. C.

JAMES FORRESTAL,
Secretary of Defense.

DECEMBER 16, 1948.

[F. R. Doc. 48-11166; Filed, Dec. 21, 1948; 9:04 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 2375]

TRANSCONTINENTAL & WESTERN AIR, INC.

NOTICE OF HEARING

In the matter of the compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, of Transcontinental and Western Air, Inc., in its transatlantic operations and the Board's Show Cause Order Serial No. E-2267.

Notice is hereby given pursuant to the Civil Aeronautics Act of 1938, as amended, that a public hearing in the above-entitled proceeding is assigned to be held on December 22, 1948, at 10:00 a. m. (eastern standard time) in Room 2015, Temporary Building No. 5, 16th Street and Constitution Avenue NW., Washington, D. C., before Examiner Paul N. Pfeiffer.

Dated at Washington, D. C., December 16, 1948.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 48-11121; Filed, Dec. 21, 1948; 8:57 a. m.]

[Regs., Serial Number OR-12]

INSTITUTION OF COURT PROCEEDINGS

ORGANIZATION AND DELEGATIONS OF AUTHORITY

Notice is hereby given that the Civil Aeronautics Board has amended the Organizational Regulations (formerly 14 CFR, 301.2 (d)) as follows, effective December 15, 1948:

By revising paragraph (d) to read as follows:

(d) *Institution of court proceedings.* The Chief of the Office of Enforcement is authorized to institute and prosecute in the proper court, as agent of the Board, all necessary proceedings for the enforcement of subpoenas and for the enforcement of the provisions of the act or any rule, regulation, requirement, or order thereunder, or any term, condition, or limitation of any certificate or permit, and for the punishment of all violations thereof.

(Secs. 205 (a) 1007; 52 Stat. 984, 1025; 49 U. S. C. 425, 647)

By the Civil Aeronautics Board.

Dated: December 15, 1948.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 48-11123; Filed, Dec. 21, 1948; 8:58 a. m.]

[Docket No. 3303]

NORTHERN CONSOLIDATED AIRLINES, INC.

NOTICE OF HEARING

In the matter of the petition of Northern Consolidated Airlines, Inc. under section 406 of the Civil Aeronautics Act of 1938, as amended, for an increase in the temporary rate of compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith over its Fairbanks-Bethel route and the Order to Show Cause published by the Board in Orders Serial Number E-2288.

Notice is hereby given that a hearing in the above matter is assigned to be held on December 23, 1948, at 10:00 a. m. (eastern standard time in Room 1011, Temporary Building No. 5, 16th Street and Constitution Avenue NW., Washington, D. C., before Examiner Richard A. Walsh.

Dated at Washington, D. C., December 17, 1948.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 48-11168; Filed, Dec. 21, 1948; 9:04 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

STATION WJNC, JACKSONVILLE, N. C.

PUBLIC NOTICE CONCERNING PROPOSED ASSIGNMENT OF LICENSE.[1]

The Commission hereby gives notice that on October 4, 1948 there was filed with it an application (BAL-809) for its consent under section 310 (b) of the Communications Act to the proposed assignment of license of station WJNC, Jacksonville, North Carolina, from Jacksonville Broadcasting Company, Incorporated to Lester L. Gould. The proposal to assign the license arises out of a contract of September 15, 1948 pursuant to which the assignor will lease to assignee certain lands and buildings now used by station WJNC and all radio equipment, furniture, fixtures, supplies, materials, machines, office equipment and personal property of every kind now owned by assignor and used in the operation of the said station, except cash, securities and accounts receivable, for a period of five years from the date of Commission approval of the application for consent to the assignment of license with the privilege of extension for an additional five years upon notice by the assignee. The annual rental under the said lease is $8,000 payable in twelve monthly equal installments. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public notice concerning the filing of the application, the Commission was advised by applicant on December 2, 1948 that starting on December 7, 1948, notice of the filing of the application would be inserted in the Onslow County News and Views a newspaper of general circulation at Jacksonville, North Carolina in conformity with the above section.

[1] Section 1.321, Part 1, Rules of Practice and Procedure.

In accordance with the procedure set out in said section, no action will be had upon the application for a period of 60 days from December 7, 1948, within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above described contract.

(Sec. 310 (b) 48 Stat. 1086; 47 U. S. C. 310 (b))

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-11143; Filed, Dec. 21, 1948; 9:02 a. m.]

WROL AND PERMIT FOR WROL-FM

PUBLIC NOTICE CONCERNING PROPOSED ASSIGNMENT OF LICENSE [1]

The Commission hereby gives notice that on November 24, 1948 there was filed with it an application (BAL-811) for its consent under section 310 (b) of the Communications Act to the proposed assignment of license of station WROL and permit for station WROL-FM, Knoxville, Tennessee, from S. E. Adcock, d/b as Stuart Broadcasting Company, to the Knoxville Publishing Company. The proposal to assign arises out of contracts of November 8, 1948 pursuant to which the assignor will assign certain assets of stations WROL and WROL-FM and the license and permit for the respective stations to the Knoxville Publishing Company. The Publishing Company will pay $365,000 plus the value of WROL accounts receivable and will transfer to the assignor certain technical equipment associated with the publishing company's station WKPB-FM in Knoxville, the permit for which the publishing company will surrender upon Commission consent to the assignment of WROL and WROL-FM. Forty thousand dollars ($40,000) of the consideration has been deposited in escrow, $200,000 plus the value of WROL accounts receivable plus title to WKPB-FM equipment is due upon Commission consent to the assignment, and the balance is payable in six annual payments, five for $30,000 each and one for $15,000, all plus 4½% interest per annum. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public notice concerning the filing of the application, the Commission was advised by applicant on November 24, 1948 that starting on November 26, 1948 notice of the filing of the application would be inserted in The Knoxville Journal, a newspaper of general circulation at Knoxville, Tennessee in conformity with the above section.

In accordance with the procedure set out in said section, no action will be had upon the application for a period of 60 days from November 26, 1948 within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above described contract.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-11144; Filed, Dec. 21, 1948; 9:02 a. m.]

KLZ BROADCASTING CO. ET AL.

PUBLIC NOTICE CONCERNING PROPOSED TRANSFER OF CONTROL [1]

The Commission hereby gives notice that on November 1, 1948 there was filed with it, application (BTC-702 and BTC-703 respectively) for its consent under Section 310 (b) of the Communications Act to the proposed transfer of control of KLZ Broadcasting Company, licensee of standard broadcast station KLZ and permittee of frequency modulation station KLZ-FM and Out West Broadcasting Company, licensee of standard broadcast station KVOR from Edgar T. Bell et al. to Aladdin Radio and Television, Inc. The proposal to transfer control of these companies arises out of a contract of October 15, 1948 pursuant to which holders of 74% of the outstanding stock of KLZ Broadcasting Company agree to sell their stock to Aladdin Radio and Television, Inc. for the sum of $407,000.00 plus 74% of the fair market value of the net quick assets of this corporation; and wherein holders of 66⅔% of the outstanding stock of Out West Broadcasting Company agree to sell their stock to Aladdin Radio and Television, Inc. for the sum of $66,875.00 plus 66⅔% of the fair market value of the net quick assets of this corporation. E. K. Gaylord has agreed to sell to Frank H. Ricketson, Jr., the remaining 26% of the stock of KLZ Broadcasting Company for the sum of $143,000 plus 26% of the fair market value of the net quick assets of this corporation; and the remaining 33⅓% of the stock of Out West Broadcasting Company for the sum of $33,125.00 plus 33⅓% of the fair market value of the net quick assets of this corporation. The sales of stock under the aforementioned agreements are to be made simultaneously, each of the sales being contingent, in effect upon the other. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public notice concerning the filing of the application, the Commission was advised by applicant on November 1, 1948 that starting on November 2, 1948 notice of the filing of the application would be inserted in the Denver Post, Denver, Colorado and the Colorado Springs Gazette Telegram, Colorado Springs, Colorado, newspapers of general circulation in conformity with the above section.

In accordance with the procedure set out in said section, no action will be had upon the application for a period of 60 days from November 2, 1948 within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above described contract.

(Sec. 310 (b), 48 Stat. 1086; 47 U. S. C. 310 (b))

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-11145; Filed, Dec. 21, 1948; 9:02 a. m.]

LA SALLE COUNTY BROADCASTING CO.

PUBLIC NOTICE CONCERNING PROPOSED ASSIGNMENT OF LICENSE [1]

The Commission hereby gives notice that on December 6, 1948, there was filed with it an application (BAL-807) for its consent under section 310 (b) of the Communications Act to the proposed assignment of license of La Salle County Broadcasting Company, licensee of station WLPO, La Salle, Illinois from F. P. McNaughton and Louis F. Leurig, d/b as La Salle County Broadcasting Company to La Salle County Broadcasting Corporation. The proposal to assign the license arises out of a contract of October 30, 1948, pursuant to which the assignee corporation has agreed to purchase and the partners have agreed to sell all of their right, title and interest in and to the partnership business and its entire assets, except accounts receivable and cash on hand for the sum of One Hundred Thousand Seven Hundred and Fifty Dollars ($100,750). The said sum shall be paid by the buyer to the seller thirty (30) days after the date upon which the consent of the Federal Communications Commission to the assignment of the said license shall have become effective and the said purchase price shall be adjusted on the date of closing by adding thereto the depreciated value of new equipment purchased on or after the date of the aforesaid contract and by deducting the depreciated value of any and all equipment sold after the date of such contract and prior to the date of closing, neither such addition nor subtraction to be in any event in excess of Two Thousand Dollars ($2,000) All taxes, rents, licenses, contracts, expenses and obligations of every kind prepaid, incurred or accrued by the seller prior to the date of closing shall be prorated as of the date of closing. The buyer shall receive credit for all monies collected in advance from advertisers for broadcast time subsequent to the date of closing and the buyer agrees to complete all agreements and assume all contracts of the seller whether for sale of broadcast time or otherwise as have been disclosed to the buyer as of the date of the aforesaid contract. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public no-

[1] Section 1.321, Part 1, Rules of Practice and Procedure.

tice concerning the filing of the application, the Commission was advised by applicant on December 6, 1948, that starting on December 8, 1948, notice of the filing of the application would be inserted in the Daily News-Tribune, a newspaper of general circulation at La Salle, Illinois, in conformity with the above section.

In accordance with the procedure set out in said section, no action will be had upon the application for a period of 60 days from December 8, 1948 within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above described contract.

(Sec. 310 (b) 48 Stat. 1086; 47 U. S. C. 310 (b))

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-11146; Filed, Dec. 21, 1948; 9:02 a. m.]

STATION WFHG

PUBLIC NOTICE CONCERNING PROPOSED ASSIGNMENT OF LICENSE [1]

The Commission hereby gives notice that on November 22, 1948 there was filed with it an application (BAL-804) for its consent under section 310 (b) of the Communications Act to the proposed assignment of license of Station WFHG Bristol, Virginia. The proposal to assign the license arises out of two contracts of June 14, 1948 pursuant to which Blanfox Radio Co., Inc., agrees to assign the license of Station WFHG to Bristol Broadcasting Company, subject to the written consent of the said Federal Communications Commission, for a consideration of $15,000.00 plus such additional sums of money as may be required to reimburse Blanfox Radio Co., Inc., for any losses incurred in the operation of Station WFHG from June 14, 1948, to the date the assignment of license becomes effective. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public notice concerning the filing of the application, the Commission was advised by applicant on December 3, 1948 that starting on December 5, 1948 notice of the filing of the application would be inserted in "Herald-Courier" a newspaper of general circulation at Bristol, Virginia in conformity with the above section.

In accordance with the procedure set out in said section, no action will be had upon the application for a period of 60 days from December 5, 1948 within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above-described contract.

[1] Section 1.321, Part 1, Rules of Practice and Procedure.

(Sec. 310 (b) 48 Stat. 1086; 47 U. S. C. 810 (b))

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-11147; Filed, Dec. 21, 1948; 9:02 a. m.]

STATION WGL

PUBLIC NOTICE CONCERNING PROPOSED ASSIGNMENT OF LICENSE [1]

The Commission hereby gives notice that on November 24, 1948 there was filed with it an application (BAL-803) for its consent under section 310 (b) of the Communications Act to the proposed assignment of license of station WGL, Ft. Wayne, Indiana, from Farnsworth Television and Radio Corporation to News-Sentinel Broadcasting Co., Inc. The proposal to assign arises out of a contract dated October 28, 1948 pursuant to which it is proposed to assign the license of station WGL and certain physical equipment and other assets for a total purchase price of $150,000 cash, of which $125,000 has been paid on account and the balance of $25,000 is to be paid on closing date. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public notice concerning the filing of the application, the Commission was advised by applicant on November 24, 1948 that starting on November 26, 1948 notice of the filing of the application would be inserted in the News-Sentinel a newspaper of general circulation at Ft. Wayne, Indiana, in conformity with the above section.

In accordance with the procedure set out in said section, no action will be had upon the application for a period of 60 days from November 26, 1948 within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above described contract.

(Sec. 310 (b) 48 Stat. 1086; 47 U. S. C. 310 (b))

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-11148; Filed, Dec. 21, 1948; 9:02 a. m.]

STATION KTAN

PUBLIC NOTICE CONCERNING PROPOSED ASSIGNMENT OF LICENSE [1]

The Commission hereby gives notice that on December 8, 1948, there was filed with it an application (BAL-806) for its consent under section 310 (b) of the Communications Act to the proposed assignment of license of station KTAN, Sherman, Texas, from Denison Broadcast Corporation to Sherman Broadcast Corporation. The proposal to assign the license arises out of contracts of September 30 and November 9, 1948, pursuant to which the licensee proposes to transfer all the assets and certain liabilities of station KTAN to Sherman Broadcast Corporation, a new corporation with which neither the assignor nor its stockholders will have any connection. Consideration for the assignment is $18,110 in cash. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public notice concerning the filing of the application, the Commission was advised by applicant on December 8, 1948, that starting on November 15, 1948, notice of the filing of the application would be inserted in The Sherman Democrat, a newspaper of general circulation at Sherman, Texas, in conformity with the above section.

In accordance with the procedure set out in said section, no action will be had upon the application for a period of 60 days from November 15, 1948, within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above-described contract.

(Sec. 310 (b) 48 Stat. 1086; 47 U. S. C. 31 (b))

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 48-11149; Filed, Dec. 21, 1948; 9:02 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-175]

KEN-RAD TUBE & LAMP CORP.

NOTICE OF APPLICATION TO STRIKE FROM LISTING AND REGISTRATION, AND OF OPPORTUNITY FOR HEARING

At a regular session of the Securities and exchange Commission, held at its office in the city of Washington, D. C., on the 16th day of December A. D. 1948.

The Chicago Stock Exchange, pursuant to section 12 (d) of the Securities Exchange Act of 1934 and Rule X-12D2-1 (b) promulgated thereunder, has made application to strike from registration and listing the Class A Common Stock, No Par Value, of Ken-Rad Tube & Lamp Corporation.

The application alleges that (1) the issuer is in the process of complete liquidation and dissolution; (2) the issuer has already paid three liquidating dividends to shareholders consisting of $22.50 in cash, shares of common stock of Westinghouse Electric Corporation, and $5.00 in cash, respectively; (3) the only remaining assets are in a sum to care for any outstanding claims against the corporation; (4) the Chicago Stock Ex-

change suspended trading in this security on December 28, 1946; and (5) the rules of the Chicago Stock Exchange with respect to striking a security from registration and listing have been complied with.

Upon receipt of a request, prior to January 12, 1949, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms or conditions. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington, D. C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the official file of the Commission pertaining to this matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 48-11106; Filed, Dec. 21, 1948; 8:46 a. m.]

[File No. 31-426]

HARTFORD GAS CO.

ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 16th day of December 1948.

The Hartford Gas Company ("Hartford") having filed an application pursuant to section 2 (a) (8) of the Public Utility Holding Company Act of 1935 for an order declaring it not to be a subsidiary of The United Gas Improvement Company ("UGI") a registered holding company, or of The United Corporation ("United") a registered holding company, or of The Connecticut Gas and Coke Securities Company ("Securities Company") a subsidiary of UGI, and

The Commission by order dated March 13, 1941, having denied said application, the Commission finding that the facts in the record including, among others, the ownership by UGI and Securities Company of 10.31% and 11.67%, respectively, of Hartford's voting securities, Securities Company being a subsidiary of UGI, which in turn was a subsidiary of United; UGI's guarantee of the dividends on Securities Company's preferred stock and Securities Company's only source of income being its security holdings in Hartford and another gas utility; and the presence on Hartford's board of directors of representatives of UGI and Securities Company, did not demonstrate that Hartford was entitled to an order declaring it not to be a subsidiary of UGI, Securities Company or United; and

The Commission by order dated May 7, 1942 having directed UGI to dispose of its entire interest in Hartford; and

Hartford having filed an application renewing its application for an order under section 2 (a) (8) declaring it not to be a subsidiary of UGI, Securities Company or United and it appearing that neither UGI nor United now own any of Hartford's voting securities; that Securities Company has been dissolved pursuant to a plan approved by the Commission on December 9, 1947 under section 11 (e) of the act, wherein its holdings of Hartford's securities were distributed to Securities Company's preferred stockholders; and that none of Hartford's officers or directors is an officer, director, nominee or appointee of any holding or investment company or of any other public utility company; and

It appearing to the Commission that the circumstances which gave rise to the Commission's order of March 13, 1941 denying the said application of Hartford have changed materially and that it is appropriate in the light of the facts contained in the application of Hartford renewing its application for an order under section 2 (a) (8), that said order of March 13, 1941 be revoked and that an order be entered granting said application of Hartford:

It is ordered, That (a) said order dated March 13, 1941 denying Hartford's application for an order declaring it not to be a subsidiary of UGI, Securities Company or United, be, and the same hereby is, revoked, and (b) said renewed application of Hartford for an order declaring that it is not a subsidiary of UGI, Securities Company or United be, and the same hereby is granted.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 48-11105; Filed, Dec. 21, 1948; 8:46 a. m.]

[File Nos. 54-25, 59-11, 59-17]

UNITED LIGHT AND RAILWAYS CO. ET AL.

SUPPLEMENTAL ORDER GRANTING APPLICATION-DECLARATION AND CONTINUING RESERVATION OF JURISDICTION

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 15th day of December A. D. 1948.

In the matter of The United Light and Railways Company, American Light & Traction Company, et al., File Nos. 59-11, 59-17 and 54-25.

The United Light and Railways Company ("Railways") a registered holding company, having filed an application-declaration and amendments thereto, in accordance with the applicable provisions of the Public Utility Holding Company Act of 1935 ("act") and the rules and regulations promulgated thereunder, with respect to the proposed sale; pursuant to the competitive bidding requirements of Rule U-50, of 78,270 shares of the common stock of The Detroit Edison Company ("Detroit Edison") and the use of the proceeds received from such sale; and

The Commission by order dated December 7, 1948 having granted and permitted to become effective said application-declaration with respect to the proposed sale of 78,270 shares of Detroit Edison common stock, subject to the condition that the sale not be consummated until the results of competitive bidding shall have been made a matter of record in the proceeding and a further order shall have been entered by the Commission in the light of the record so completed, for which purpose jurisdiction was reserved, and subject to the continuance of the reservation of jurisdiction over the accounting treatment with respect to the proposed sale contained in the Commission's order of December 30, 1947; and

Railways having filed a further amendment stating that in accordance with the order of the Commission dated December 7, 1948 it has offered such stock for sale pursuant to the competitive bidding requirements of Rule U-50 and has received the following bids:

Name of bidder	*Price per share to company*
Blyth & Co., Inc.	$19.852
A. C. Allyn and Company Inc.	19.7512
Watling Lerchen & Co.	19.735
The First Boston Corp.	19.71
Coffin & Burr, Inc., and Spencer Trask & Co.	19.635
Kidder, Peabody & Co.	19.678
Harriman, Ripley & Co., Inc.	19.631
Hornblower & Weeks	19.616
Goldman Sachs & Co.	19.55
Otis & Co.	19.475

The amendment further stating that the bid of Blyth & Co., Inc., shown above, has been accepted and that the purchasers propose to offer the stock to the public at $20.30 per share resulting in an underwriting spread of $0.448 per share which is equal to 2.26% of the price to the company and 2.21% of the public offering price; and

Applicant-declarant having requested that the supplemental order issued following the acceptance by Railways of a bid for said 78,270 shares of common stock of Detroit Edison contain recitals conforming to the requirements of Supplement R and section 1808 (f) of the Internal Revenue Code, and applicant-declarant having requested that said supplemental order become effective upon its issuance; and

The Commission having examined and considered the record herein and finding that the applicable standards of the act and the rules and regulations thereunder with respect to the sale of said stock have been complied with and observing no basis for imposing terms and conditions with respect to the price to be received for said stock or the underwriting spread and the allocation thereof, and deeming it appropriate to grant applicant's request for recitals conforming to the requirements of the Internal Revenue Code and for acceleration of the effectiveness of the Commission's order; and

The Commission further deeming it appropriate to continue the jurisdiction reserved in said order of December 30, 1947 over the accounting entries in connection with the proposed sale of stock:

It is ordered, Subject to the terms and conditions prescribed by Rule U-24 that the application-declaration, as amended be, and it hereby is, granted and permitted to become effective forthwith and that the jurisdiction heretofore reserved

with respect to the price to be received by Railways for 78,270 shares of common stock of Detroit Edison and the underwriters' compensation in connection therewith be and hereby is released; and

It is further ordered, That the reservation of jurisdiction contained in the Commission's Order of December 30, 1947 approving the section 11 (e) plan of Railways and American over the accounting entries in connection with said plan, the transactions incident thereto and the consummation thereof be, and it hereby is, continued.

It is further ordered and recited, That the sale and transfer by Railways of 78,270 shares of capital stock of Detroit Edison (represented by Certificates Nos. K-122, K-133, K-141 and K-148) at the price of $19.852 per share are necessary or appropriate to the integration or simplification of the holding company system of the United Light and Railways Company and are necessary or appropriate to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 48-11102; Filed, Dec. 21, 1948; 8:45 a. m.]

[File No. 70-1972]

CENTRAL MAINE POWER CO.

NOTICE OF FILING OF AMENDED APPLICATION AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C. on the 16th day of December A. D. 1948.

Notice is hereby given that an amended application has been filed with this Commission, pursuant to the Public Utility Holding Company Act of 1935 ("the act"), by Central Maine Power Company, public-utility company and a direct subsidiary of New England Public Service Company, a registered holding company, which in turn is a direct subsidiary of Northern New England Company, also a registered holding company. Applicant designates section 6 (b) of the act and Rule U-50 thereunder as applicable to the proposed transactions.

All interested persons are referred to said application on file in the office of the Commission for a statement of the transactions therein proposed, which may be summarized as follows:

Applicant proposes to issue and sell for cash 303,330 shares of its Common Stock, $10 par value, at a price per share to be fixed by the applicant in such reasonable relation to the market at the time the offering is made as may be most advantageous to the applicant. Applicant proposes to offer the stock to its stockholders for subscription for a period of approximately thirty days on the following basis:

For each two shares of Common Stock, the right to subscribe for one share of Common Stock; for each share of 6% Preferred Stock, the right to subscribe for one share of Common Stock; for each two shares of Preferred Stock 3.50% Series, the right to subscribe for one share of Common Stock; and subject to the foregoing rights and subject to allocation, the right to subscribe for any number of shares of Common Stock which any stockholder of the applicant may desire to purchase.

It is proposed that the rights to subscribe be not negotiable. Any stockholder may have the stock for which he subscribes issued in a name other than his own by appropriate request to the company, accompanied by the subscription price for the stock and funds for Federal transfer tax stamps. In no case will fractional shares of common stock be issued but each stockholder may round out his subscription to the next full number of shares.

It is stated that New England Public Service Company, owner of 77.8% of the presently outstanding common stock of the applicant, has waived its preemptive right to subscribe for 232,076 of the 303,330 shares of common stock proposed to be issued, on the condition that such shares be made available for subscription by all stockholders of the applicant on the foregoing basis.

The proposed issue of 303,330 shares of common stock will not be underwritten. Any shares not subscribed for by stockholders as set forth above, will be disposed of in a manner to be determined after the close of the subscription period.

The applicant proposes to enter into a contract with an investment banker or security dealer, to be selected by it, whereby such investment banker or security dealer will agree to act as manager in the solicitation by it and by members of the National Association of Security Dealers, chosen by such manager in consultation with the applicant, of subscriptions for the proposed issue. The selection of such manager will be made by the company on the basis of information furnished to the company in response to written requests therefor to be forwarded to a selected group of not less than six investment bankers or security dealers.

The net proceeds from the sale of the common stock are to be used by applicant to reduce its outstanding short-term notes payable to The First National Bank of Boston, the proceeds of which, it is stated, were used for the acquisition of property, the construction, completion and extension of applicant's facilities, and other lawful purposes. As of December 9, 1948, said bank loans aggregated $8,500,000, and applicant's financial program for the remainder of the year 1948 requires additional bank borrowings in the amount of $1,500,000.

It is the intention of the applicant to pay off bank loans existing at the end of 1948 and to provide funds for its 1949 construction requirement by the issue and sale in 1949 of bonds and stocks. The exact amounts of such issues and the types of securities to be issued and sold have not yet been determined.

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a hearing be held with respect to the proposed transactions and that said application should not be granted except pursuant to further order of this Commission:

It is ordered, Pursuant to the applicable provisions of the act and the rules and regulations promulgated thereunder, that a hearing with respect to the said application be held on Tuesday, December 28, 1948, at 10:00 a. m., e. s. t., at the offices of this Commission, 425 Second Street NW., Washington 25, D. C. On such date the hearing room clerk in Room 101 will advise as to the room in which such hearing is to be held. Any person desiring to be heard or otherwise participate in this proceeding shall file with the Secretary of the Commission on or before December 27, 1948, a written request therefor as provided by Rule XVII of the Commission's rules of practice.

It is further ordered, That James G. Ewell, or any other officer or officers of this Commission designated by it for that purpose, shall preside at such hearing. The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of the act and to a hearing officer under the Commission's rules of practice.

The Division of Public Utilities of the Commission having advised the Commission that it has made a preliminary examination of the application and that, upon the basis thereof and without prejudice to additional matters or questions being specified upon further examination, the following matters and questions are presented for consideration:

1. Whether the issue and sale of said securities is entitled to exemption as provided by the third sentence of section 6 (b) of the act.

2. Whether the selection of a solicitation manager is subject to the competitive bidding requirements of Rule U-50; and if so, whether an exemption from such requirements is appropriate in this case.

3. Whether it is necessary or appropriate in the public interest or for the protection of investors or consumers to impose terms and conditions with reference to the proposed transactions, and if so, what such terms and conditions should be.

4. Whether the accounting entries to be recorded in connection with the proposed transactions are proper and conform to accepted accounting principles.

It is further ordered, That the Secretary of the Commission shall serve notice of the aforesaid hearing by mailing by registered mail a copy of this notice and order to Central Maine Power Company, New England Public Service Company, and the Public Utilities Commission of Maine; and that general notice shall be given to all persons by publication of this notice and order in the FEDERAL REGISTER; and that a copy of this notice and order through a general release of this Commission shall be distributed to the press and mailed to the mailing list for releases issued under the Public Utility Holding Company Act of 1935.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 48-11107; Filed, Dec. 21, 1948; 8:46 a. m.]

[File No. 70-1998]

WINNIPISEOGEE LAKE COTTON AND WOOLEN MANUFACTURING CO. AND EASTERN NEW YORK POWER CORP.

ORDER PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 16th day of December A. D. 1948.

Winnipiseogee Lake Cotton and Woolen Manufacturing Company ("the Lake Company") a New Hampshire corporation, and its parent Eastern New York Power Corporation ("ENYP") a New York corporation which is a subsidiary of International Hydro-Electric System, a registered holding company, having filed a joint declaration pursuant to sections 12 (c) and 12 (f) of the Public Utility Holding Company Act of 1935 ("the act") and Rules U-42 (a) U-43 (a) and U-46 (a) thereunder, with respect to the following transaction:

ENYP which owns and operates certain hydro-electric generating stations in the State of New York, and owns and leases or holds for future development certain water power properties and sites in the States of New York and Maine, proposes to liquidate the Lake Company, a wholly-owned subsidiary, and to receive all the residual assets of said subsidiary as a liquidating dividend upon surrender to the latter of all its capital stock, being 700 shares of the par value of $100 each; and the Lake Company, which has heretofore sold its physical properties, consisting of certain lands, dams and other structures, together with water rights and easements, all located in the State of New Hampshire, to Public Service Company of New Hampshire, a non-affiliated electric utility company, and has ceased to do business and has no plans to continue in business, proposes to pay its current and accrued liabilities, to pay to ENYP its cash balance and other assets as a liquidating dividend in consideration of the surrender to it of its capital stock as aforesaid, and thereupon to seek dissolution pursuant to applicable laws of the State of New Hampshire.

ENYP will use the proceeds derived from said liquidation for construction and general corporate purposes. It is estimated that, in addition to a dividend of $140,000 declared by the Lake Company from its earned surplus payable on September 24, 1948, ENYP will receive a liquidating dividend of approximately $70,000.

Legal fees and other expenses are estimated not to exceed $1,150.

Such declaration having been duly filed, and notice of filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for hearing with respect thereto within the period specified in said notice or otherwise, and not having ordered a hearing thereon; and

It appearing to the Commission that there is no State commission having jurisdiction over the proposed transaction, and that it is appropriate in the public interest and in the interests of investors and consumers to permit said declaration to become effective without delay;

It is therefore ordered, Pursuant to Rule U-23 and the applicable provisions of the act, and subject to the terms and conditions prescribed by Rule U-24, that said declaration be and the same hereby is permitted to become effective forthwith.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 48-11103; Filed, Dec. 21, 1948; 8:46 a. m.]

[File No. 71-1]

DELAWARE POWER & LIGHT CO.

ORDER APPROVING DISPOSITION OF ADJUSTMENTS RELATING TO GAS PLANT

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 16th day of December 1948.

Delaware Power & Light Company ("Delaware") a registered holding company and a public utility company, having filed studies, and amendments thereto, pursuant to Rule U-27 of the General Rules and Regulations promulgated under the Public Utility Holding Company Act of 1935, relative to the original cost and reclassification of its plant accounts as at December 31, 1943 including proposals for the disposition of adjustments relating to gas plant, which proposals are summarized as follows:

Delaware proposes to classify the amount of $64,402 in Account 107, Gas Plant Adjustments, and $1,520,243 in Account 100.5 Gas Plant Aquisition Adjustments.

Delaware further proposes to dispose of the amount of $64,402 in Account 107, representing improper items remaining in plant account, by an immediate charge to Account 271, Earned Surplus.

Delaware further proposes that a reserve be created in Account 252, Reserve for Amortization of Gas Plant Aquisition Adjustments. The amount in such a reserve will ultimately equal the $1,520,243 in Account 100.5 and is proposed to be accumulated in the following manner:

(1) By an immediate credit of $440,243 to Account 252, Reserve for Amortization of Gas Plant Acquisition Adjustments, and a contra charge to Account 250, Reserve for Depreciation of Utility Plant, said amount representing the company's determination of previous accruals applicable to Gas Plant Acquisition Adjustments.

(2) By monthly charges of $6,000 or $72,000 annually, to Account 537, Miscellaneous Amortization, over a period of 15 years beginning on either January 1, or July 1, whichever date is nearer to the issuance of the Commission's order; *Provided, however* The company may accelerate the amount of the amortization either by increased annual charges to Account 537 or by charges to Account 271, Earned Surplus.

Notice of filing of said studies, and amendments thereto, having been duly given and the Commission not having received a request for hearing with respect to said matter within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

It appearing to the Commission that the proposals for the disposition of the amounts established in Account 100.5 and Account 107, in the manner described above, are consistent with the requirements of Rule U-27 of the general rules and regulations promulgated under the act; and

It further appearing that Delaware's amended studies indicate that an amount of $248,531.26 has not been distributed to primary accounts and that Delaware should prepare for submission to the Commission, a special study regarding such presently undistributed amount:

It is ordered, That:

(A) Delaware record on its books the proposed reclassification entries submitted with its studies, and amendments thereto, relative to the original cost and reclassification of its gas plant accounts.

(B) Delaware dispose of the amount of $64,402 established in Account 107 and create a reserve in Account 252 for amortization of the amount of $1,502,243 established in Account 100.5, both in accordance with the proposals described above.

(C) Delaware submit certified copies of the immediate entries required by paragraph (B) hereof within sixty days from the date of this order.

(D) Delaware prepare a special study regarding the distribution of a presently undistributed amount of $248,531.26 to the primary account of Account 100.1, Gas Plant in Service, and submit such study to this Commission within ninety days from the date of this order.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 48-11104; Filed, Dec. 21, 1948; 8:46 a. m.]

[File No. 812-575]

BENSON AND HEDGES AND TOBACCO AND ALLIED STOCKS, INC.

NOTICE OF APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 16th day of December A. D. 1948.

Notice is hereby given that Benson and Hedges, ("applicant") a New York corporation, 435 Fifth Avenue, New York 16, New York, which is controlled by Tobacco and Allied Stocks, Inc., an investment company registered under the Investment Company Act of 1940, has filed an application pursuant to Rule N-17D-1 of the rules and regulations promulgated under the act regarding the payment of a bonus by the applicant of not exceeding $11,700 to office and factory employees of the applicant and $500 to an assistant secretary of the applicant and regarding a salesmen's bonus plan for payment of extra compensation to certain field sales personnel of the applicant

in an aggregate amount determined by a percentage of any increase in sales of certain of the applicant's products during one year over sales of those products during the preceding year. It is estimated that the amount payable in accordance with the salesmen's bonus plan with respect to the sales for the year 1948 will amount approximately to $10,000.

The participation in any transaction in connection with any bonus, profit-sharing or pension plan or arrangement in which a controlled company (Benson and Hedges) of a registered investment company (Tobacco and Allied Stocks, Inc.) is a participant is prohibited by Rule N-17D-1 under the act unless an application regarding such plan or arrangement has been filed with the Commission and has been granted by an order entered prior to the submission of such plan or arrangement to security holders for approval or prior to the adoption thereof if not so submitted.

All interested persons are referred to said application which is on file at the Washington, D. C., office of this Commission for a more detailed statement of the matters of fact and law therein asserted.

Notice is further given that an order granting the application may be issued by the Commission at any time after December 29, 1948, unless prior thereto a hearing upon the application is ordered by the Commission as provided in Rule N-5 of the rules and regulations promulgated under the act. Any interested person may, not later than December 27, 1948, at 5:30 p. m., e. s. t., submit to the Commission in writing his views or any additional facts bearing upon this application or the desirability of a hearing thereon, or request the Commission in writing that a hearing be held thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C., and should state briefly the nature of the interest of the person submitting such information or requesting a hearing, the reasons for such request and the issues of fact or law raised by the application which he desires to controvert.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 48-11108; Filed, Dec. 21, 1948; 8:46 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616, E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 12450]

ALLGEMEINE RENTENANSTALT, LEBENS-UND RENTEN-VERSICHERUNGS, A. G.

In re: stock and bonds owned by Allgemeine Rentenanstalt, Lebens-und Renten-Versicherungs, A. G. F-28-26011-D-1-D-2/D-3.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Allgemeine Rentenanstalt, Lebens-und Renten-Versicherungs, A. G. the last known address of which is Tuebingstr. 28, Stuttgart, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Stuttgart, Germany and is a national of a designated enemy country (Germany)

2. That the property described as follows:

a. All rights and interests in and under one (1) certificate of American Shares, representing common stock of the Rhine-Westphalia Electric Power Corp., said certificate issued by The National City Bank of New York, 55 Wall Street, New York, New York, numbered 519 and evidencing 16 shares, and registered in the name of Allgemeine Rentenanstalt, Lebens-und Renten-Versicherungs, A. G.,

b. Those certain debts or other obligations, matured or unmatured, evidenced by three (3) The Baltimore & Ohio Railroad Company First Mortgage Fifty Year four per cent (4%) Gold Bonds of $1,000 face value each, bearing the numbers M 25058, M 28069 and M 34690, each in bearer form, any and all accruals thereto, and all rights to demand, enforce and collect the same, together with any and all rights in, to and under said bonds, including particularly any and all rights of exchange for The Baltimore and Ohio Railroad Company First Mortgage four per cent (4%) Bonds, Series A, and all rights thereunder and thereto, and

c. Those certain debts or other obligations, matured or unmatured, evidenced by seven (7) Northern Pacific Railway Company Prior Lien four per cent (4%) Bonds of $1,000 face value each, bearing the numbers 44668, 55281, 59375, 68201, 71774, 71775 and 73326, any and all accruals thereto, and all rights to demand, enforce and collect the same, together with any and all rights in, to and under said bonds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Allgemeine Rentenanstalt, Lebens-und Renten-Versicherungs, A. G., the aforesaid national of a designated enemy country (Germany)

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 30, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON, *Assistant Attorney General, Director Office of Alien Property.*

[F. R. Doc. 48-11124; Filed, Dec. 21, 1948; 8:59 a. m.]

[Vesting Order 12462]

KARL OTTO PETRY

In re: Debt owing to Karl Otto Petry. F-28-6664-C-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Karl Otto Petry, whose last known address is Kuchstrasse 8, Wetzlar/Lahn, Germany, is a resident of Germany and a national of a designated enemy country (Germany),

2. That the property described as follows: That certain debt or other obligation of City Bank Farmers Trust Company, 22 Williams Street, New York 15, New York, in the amount of $80.02, as of December 31, 1945, evidenced by outstanding Secretary's checks drawn by said City Bank Farmers Trust Company, payable to Karl Otto Petry, numbered, dated and in the amounts as set forth below:

Number Date, and Amount

T-247367, November 13, 1939, $37.09.
T-16999, February 3, 1941, $42.93.

together with any and all accruals to the aforesaid debt or other obligation, and any and all rights to demand, enforce and collect the same, and any and all rights in, to and under the aforesaid checks,

is property within the United States owned or controlled by, payable, or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Karl Otto Petry, the aforesaid national of a designated enemy country (Germany),

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or other-

wise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 30, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 48-11125; Filed, Dec. 21, 1948; 8:59 a. m.]

[Vesting Order 12475]

MAX GOEBEL

In re: Estate of Max Goebel, deceased. File No. D-28-12432; E. T. sec. 16660.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Margarethe Marsteller also known as Grete Marsteller, Gretchen Goebel, Hanni Goebel, also known as Johanna Goebel Dehne, Martha Goebel Krech, Carl Wiegand, Max Marsteller, Gertrud Marsteller, Ruth Goebel Stocke, Franz Goebel, Greta Krech Schlapper, Hans Wiegand, Margaret Wiegand Konitzer and Elizabeth Wiegand Groot-Onk, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany)

2. That the daughter, name unknown of Anna Waldeck, and the domiciliary personal representatives, next of kin, heirs at law, legatees and distributees, names unknown of Max L. Goebel, deceased, of Gerda Goebel, deceased, of Else Goebel Krech, deceased, and of Marie Marsteller Wiegand, deceased, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany)

3. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraphs 1 and 2 hereof, and each of them, in and to the estate of Max Goebel, deceased, and in and to the trusts created under the will of Max Goebel, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany)

4. That such property is in the process of administration by Guaranty Trust Company of New York, as Executor and Trustee, acting under the judicial supervision of the Surrogate's Court, Morris County, Morristown, New Jersey and Chancery Court of New Jersey;

and it is hereby determined:

5. That to the extent that the persons named in subparagraph 1 hereof and the daughter, name unknown of Anna Waldeck, and the domiciliary personal representatives, next of kin, heirs at law, legatees and distributees, names unknown of Max L. Goebel, deceased, and Gerda Goebel, deceased, of Else Goebel Krech, deceased, and of Marie Marsteller Wiegand, deceased, are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 3, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 48-11126; Filed, Dec. 21, 1948; 8:59 a. m.]

[Vesting Order 12491]

RICHARD R. LUDWIG

In re: Estate of Richard R. Ludwig, deceased. File No. D28-12498; E. T. sec. 16714.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Mary Baumeister, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany),

2. That all right, title, interest and claim of any kind or character whatsoever of the person named in subparagraph 1 hereof in and to the estate of Richard R. Ludwig, deceased, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy county (Germany;

3. That such property is in the process of administration by Milton L. Burns, Treasurer of Suffolk County, as Depositary, acting under the judicial supervision of the Surrogate's Court, Suffolk County, New York;

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 3, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 48-11127; Filed, Dec. 21, 1948; 8:59 a. m.]

[Vesting Order 12435]

MARIE WIDDEL

In re: Estate of Marie Widdel, deceased. File No. D-28-12084; E. T. sec. 16285.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Heinrich Boerchers, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany)

2. That the domiciliary personal representatives, heirs-at-law, next-of-kin, legatees and distributees of Heinrich Boerchers, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany),

3. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraphs 1 and 2 hereof, and each of them, in and to the estate of Marie Widdel, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany)

4. That such property is in the process of administration by Mary C. R. Jacobs, as administratrix, acting under the judicial supervision of the Orphans' Court of Philadelphia County, Pennsylvania;

and it is hereby determined:

5. That to the extent that the person named in subparagraph 1 hereof and the domiciliary personal representatives, heirs-at-law, next-of-kin, legatees and distributees of Heinrich Boerchers are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 3, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-11128; Filed, Dec. 21, 1948; 8:59 a. m.]

[Vesting Order 12511]

MANZO KAWASHIMA

In re: Real property and property insurance policy owned by Manzo Kawashima, also known as M. Kawashima.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Manzo Kawashima, also known as M. Kawashima, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan)

2. That the property described as follows:

a. Real property, situated in Waialua, Oahu, Territory of Hawaii, particularly described in Exhibit A, attached hereto and by reference made a part hereof, together with all hereditaments, fixtures, improvements and appurtenances thereto, and any and all claims for rents, refunds, benefits or other payments, arising from the ownership of such property, and

b. All right, title and interest of the person named in subparagraph 1 hereof, in and to Fire Insurance Policy No. A 14150, issued by Fireman's Fund Insurance Company, San Francisco, California, in the amount of $1,000.00, which policy expires October 7, 1949, and insures the real property described in subparagraph 2-a hereof,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan),

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described in subparagraph 2-a hereof, subject to recorded liens, encumbrances and other rights of record held by or for persons who are not nationals of designated enemy countries, and

There is hereby vested in the Attorney General of the United States the property described in subparagraph 2-b hereof,

All such property so vested to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

EXHIBIT A

Beginning at Sta. 5 of Lot A of sub-division of Lots 4 and 5 Block 3 of Bishop Estate Paalaa-Kai sub-division and being the southwest corner of this lot thence running by true azimuths as follows:

1. 216°16′ 202.06 feet along the east side of Lot A;
2. 305°10′ 55.01 feet along L. .C. A. 4305 ap. 2 to Kahalau;
3. 36°16′ 203.12 feet along the west side of Lot C;
4. 126°16′ 55.0 feet along the north side of Niuula Street to the point of beginning.

Containing an Area of 11,142 Square Feet, or thereabouts, and being a portion of the same lands that were conveyed to the said M. Kawashima by T. Sasai by Deed dated August 30th, 1924 and recorded in the Office of the Registrar of Conveyances at Honolulu in Liber 746 on Pages 141-143.

[F. R. Doc. 48-11129; Filed, Dec. 21, 1948; 8:59 a. m.]

[Vesting Order 12512]

PETER PETERS

In re: Bond and mortgage, property insurance policy and claim owned by Peter Peters.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Peter Peters, whose last known address is Oldsum a/Foehr, Schleswig-Holstein, Germany, is a resident of Germany and a national of a designated enemy country (Germany)

2. That the property described as follows:

a. A mortgage executed on December 7, 1911, by City Line Construction Company, a New York corporation, to Julius Lehrenkrauss and Herman C. Lehrenkrauss, as co-partners, and recorded on December 8, 1911, in the Office of the Register of Kings County, New York, in Liber 3698 of Mortgages, at Page 85, which mortgage was assigned, after mesne assignments, by J. Lehrenkrauss & Sons, a co-partnership, to Peter Peters by instrument dated October 1, 1927, and recorded in the Office of the Register of Kings County, New York, on May 23, 1934, in Liber 7911 of Mortgages, at Page 231, and any and all obligations secured by said mortgage, including but not limited to all security rights in and to any and all collateral (including the aforesaid mortgage) for any and all such obligations, and the right to enforce and collect such obligations, and the right to possession of any and all notes, bonds and other instruments evidencing such obligations.

b. All right, title and interest of Peter Peters, in and to Fire Insurance Policy No. 394489, issued by Continental Insurance Company, 80 Maiden Lane, New York, New York, in the amount of $5,000, which policy expires November 15, 1950, and insures the property subject to the mortgage described in subparagraph 2-a hereof, and

c. That certain debt or other obligation owing to Peter Peters by Richter & Kaiser, Inc., 186 Remsen Street, Brooklyn, New York, arising out of the collection of principal and interest on account of the mortgage described in subparagraph 2-a hereof, and any and all rights to demand, enforce and collect the same.

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany),

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described in subparagraphs 2-a to 2-c hereof, inclusive,

All such property so vested to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-11130; Filed, Dec. 21, 1948; 9:00 a. m.]

[Vesting Order 12513]

HERMANN FRIEDRICH STOVER AND FRIEDA STOVER

In re: Real property and claim owned by Hermann Friedrich Stover, also known as Hermann Stover, and Frieda Stover.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Hermann Friedrich Stover, also known as Hermann Stover, whose last known address is 67 Lichtenbergstrasse, Darmstadt, Germany, and Frieda

Stover, whose last known address is 119 Osterdeich (23) Bremen, Germany, are residents of Germany and nationals of a designated enemy country (Germany),

2. That the property described as follows:

a. Real property situated in the County of Grant, State of Oklahoma, particularly described in Exhibit A, attached hereto and by reference made a part hereof, together with all hereditaments, fixtures, improvements and appurtenances thereto, and any and all claims for rents, refunds, benefits or other payments, arising from the ownership of such property, and

b. That certain debt or other obligation owing to the persons named in subparagraph 1 hereof by George H. Parker, Nardin, Oklahoma, arising out of rents collected on the property described in subparagraph 2-a hereof and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany)

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described in subparagraph 2-a hereof, subject to recorded liens, encumbrances and other rights of record held by or for persons who are not nationals of designated enemy countries, and

There is hereby vested in the Attorney General of the United States the property described in subparagraph 2-b hereof,

All such property so vested to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

EXHIBIT A

All that certain tract or parcel of land situated in the County of Grant, State of Oklahoma, bounded and described as follows:

The Southwest Quarter (SW¼) of Section Eleven (11) in Township Twenty-seven (27) North of Range Three (3) West of the Indian Meridian.

[F. R. Doc. 48-11131; Filed, Dec. 21, 1948; 9:00 a. m.]

[Return Order 219]

ERNST LUDWIG RUPPEL

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

Claimant and Claim Number, Notice of Intention to Return Published and Property

Ernst Ludwig Ruppel, Stourbridge, Worcester, England, Claim No. 4700, October 12, 1948 (13 F. R. 5962); Property described in Vesting Order No. 201 (8 F. R. 625, January 16, 1943) relating to United States Letters Patent No. 2,102,224. This return shall not be deemed to include the rights of any licensees under the above patent.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-11133; Filed, Dec. 21, 1948; 9:00 a. m.]

[Return Order 222]

CHARLES A. BUERK ET AL.

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant and Claim Number, Notice of Intention to Return Published, and Property

Charles A. Buerk, Max E. Bretschger, Ansley W. Sawyer, Jacob F. Schoellkopf, Jr., and Louis Wirth, as Voting Trustees, Buffalo, N. Y., Claim No. 761, Ruth Francke, Aarau, Switzerland, Claim No. 857, November 3, 1948 (13 F. R. 6495); eight hundred (800) shares of no par value common capital stock of the Buffalo Electro-Chemical Company, Inc., Buffalo, New York, evidenced by stock certificate No. 357 registered in the name of the Attorney General of the United States, presently in the custody of the Safekeeping Department of the Federal Reserve Bank of New York, to Charles A. Buerk, Max E. Bretschger, Ansley W. Sawyer, Jacob F. Schoellkopf, Jr. and Louis Wirth as Voting Trustees under a Voting Trust Agreement dated December 31, 1949; and to Ruth Francke the beneficial interest in said shares under said Voting Trust Agreement. $49,000 in the Treasury of the United States representing dividends from said shares to Ruth Francke.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 48-11134; Filed, Dec. 21, 1948; 9:00 a. m.]

[Return Order 225]

ELIZABETH MARION TABASSO

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant and Claim Number, Notice of Intention To Return Published, and Property

Elizabeth (a/k/a Elsie or Edith) Marion Tabasso; Claim No. 4636 (13 F. R. 6318) November 9, 1948; $2,000.45 in the Treasury of the United States.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48-11135; Filed, Dec. 21, 1948; 9:00 a. m.]

[Return Order 226]

CARL LUENENSCHLOSS

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant and Claim Number, Notice of Intention To Return Published, and Property

Carl Luenenschloss, Elizabeth, N. J., Claim No. 6862, November 6, 1948 (13 F. R. 6300); the following securities in the name of Carl Luenenschloss held in Safekeeping Account No. 60-230045, Office of Alien Property, 120 Broadway, New York, New York.

1. Konversionskasse fur Deutsche Auslandsschulden 3% Bonds, Series C, Nos. 01557 to 01600 inclusive and Nos. 00222, 00411, 00495, 00357, 00358, 01091, 01092, 01093, 01159, 01160, 01161, 01453, 01520, 01839, 02330 together with attached coupons.

2. I. G. Farbenindustrie A. G. 6% Bonds of 1923, Nos. 056336, 033074, 033640, 033341, 033342, 056334, 033258, 033259, 023101, 023102, 023103, 023104, 023105, 023106, together with attached coupons.

3. 12 shares capital stock of Standard Oil Company (N. J.), Certificate No. C733559 and C772293, registered in the name of Carl Luenenschloss.

4. Certificates for twenty preferred shares, 7% Series IV of Deutsche Reichsbahn-Gesellschaft, Certificates No. 0013475–6; 0013477–8; 0013479–80; 0013481–2; 0013483–4; 0013485–6; 0013487–8; 0013489–90; 0013491–2; 0013493–4.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 48–11136; Filed, Dec. 21, 1948; 9:01 a. m.]

[Return Order 228]

MRS. E. LOCKER AND KARL LOCKER

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant and Claim Number Notice of Intention to Return Published, and Property

Mrs. E. Locker and Karl Locker, Oberburg, Switzerland, Claim No. 33947, October 30, 1948 (13 F. R. 6435), $2,475.42 in the Treasury of the United States.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 48–11137; Filed, Dec. 21, 1948; 9:01 a. m.]

EILER MOLTKE HUITFELDT

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading with the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property and Location

Eiler Moltke Huitfeldt, a/k/a Eiler de Moltke Huitfeldt, Copenhagen, Denmark; 26241 and 31818; $192.45 in the Treasury of the United States.

All right, title, interest and claim of any kind or character whatsoever of Eiler Moltke Huitfeldt in and to the trust estate created by Decree of the Circuit Court of Baltimore City, Maryland, dated July 21, 1928, in proceedings entitled "Robert W. Williams, et al, vs. Jerome N. C. Bonaparte, et al."

All right, title, interest and claim of any kind or character whatsoever of Eiler Moltke Huitfeldt in and to the trust estate created by Decree of the Circuit Court No. 2 of Baltimore City, Maryland, in proceedings entitled "Ellen C. Bonaparte vs. Louise Eugenie Moltke Huitfeldt, et al."

All right, title, interest and claim of any kind or character whatsoever of Eiler Moltke Huitfeldt in and to the trusts created under the Last Will and Testament and Codicil thereto of Jerome Napoleon Bonaparte, deceased, in the process of administration by National Savings and Trust Company and Jerome Napoleon Charles Bonaparte, Substituted Trustees under appointment of the District Court of the United States for the District of Columbia in proceedings entitled "Jerome Napoleon Charles Bonaparte, et al. vs. Webster Appleton Edgar, et al., Equity No. 30,976."

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 48–11138; Filed, Dec. 21, 1948; 9:01 a. m.]

GERTRUDE SPIEGEL SPENNER

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property and Location

Gertrude Spiegel Spenner, c/o Ralph A. Spiegel, 229 East Wisconsin Avenue, Milwaukee 2, Wis.; 34875; $97,286.02 in the Treasury of the United States.

The following securities presently in custody Safekeeping Department, Federal Reserve Bank, New York, New York: $2,500 U. S. Savings Bonds, Series "D" due July 1, 1949; $8,000 U. S. Treasury Bonds 1950–52 at 2½%, Certificate No. 323, registered in the name of the Attorney General of the United States, for 1250 shares $0.25 PV capital stock Bell Mining Company, Idaho corporation; Certificate No. 1169, registered in the name of the Attorney General of the United States, for 1250 shares $1.00 PV capital stock Benton Mining Company, Ltd., Idaho corporation; Certificate No. 68, registered in the name of the Alien Property Custodian, for 41 shares $10.00 PV capital stock Moira Copper Company, Wisconsin corporation; Certificate No. 81, registered in the name of the Attorney General of the United States, for 25 shares $0.10 PV capital stock Waukesha Roxo Company, Wisconsin corporation.

The following securities in possession Custody and Clearance Section, New York Office of Alien Property, 120 Broadway, New York, New York: Certificate No. 4622, registered in the name of (Mrs.) Gertrude S. Spenner, for 1313 shares $1.00 PV capital stock, reduced by dividends to $0.88½ PV, Twin Buttes Mining and Smelting Company, Arizona corporation; Certificate No. 612, registered in the name of Mrs. Gertrude S. Spenner, for 5625 shares $1.00 PV capital stock United American Mines Company, Ltd., Idaho corporation.

An undivided one-fourth interest in the securities hereinafter identified, said certificates being presently in the custody of First Wisconsin Trust Company, Milwaukee, Wisconsin: Certificate No. 3536 for 10,000 shares $1.00 PV common stock Alameda Mining Company, registered in the name of First Wisconsin Trust Company, Trustee under the Will of Adolph Spiegel, Deceased; Certificate No. 8360 for 500 shares $1.00 PV common stock Hubbard Elliot Copper Company, presently registered in the name of Mrs. A. Spiegel, and assigned in blank by Adele Spiegel.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 48–11141; Filed, Dec. 21, 1948; 9:01 a. m.]

HELMUT LEGERLOTZ

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property and Location

Helmut Legerlotz, New York, N. Y., 0158; $700,518.58 in the Treasury of the United States; all interests and rights (including all royalties and other monies payable or held with respect to such interests and rights and all damages for breach of the agreement hereinafter described, together with the right to sue therefor) created in Helmut Legerlotz by virtue of an agreement dated April 24, 1928 (including all modifications of and supplements to said agreement, including, but without limitation, a letter from Frederick Stearns & Company to Helmut Legerlotz and Syngala, G. m. b. H., dated March 9, 1928, a letter from Syngala, G. m. b. H. to Frederick Stearns & Company, dated January 16, 1936, and a letter from Helmut Legerlotz to Frederick Stearns & Company, dated January 26, 1936) by and between Helmut Legerlotz, Chemische Fabrik Syngala, G. m. b. H. and Frederick Stearns & Company, relating among others to Patent No. 1,965,502 issued July 3, 1934, inventor Helmut Legerlotz, for Making Optically Active Phenylalcamines.

Executed at Washington, D. C., on December 15, 1948.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[F. R. Doc. 48–11140; Filed, Dec. 21, 1948; 9:01 a. m.]