

University of Mississippi

eGrove

---

Guides, Handbooks and Manuals

American Institute of Certified Public  
Accountants (AICPA) Historical Collection

---

11-26-1969

## **Comment on Securities Act of 1933 Releases No. 4996-4998 and Securities Exchange Act of 1934 Releases No. 8680-8686**

American Institute of Certified Public Accountants (AICPA)

Follow this and additional works at: [https://egrove.olemiss.edu/aicpa\\_guides](https://egrove.olemiss.edu/aicpa_guides)



Part of the [Accounting Commons](#)

---



AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

666 FIFTH AVENUE

NEW YORK, N. Y. 10019

November 26, 1969

Mr. Orval L. DuBois, Secretary  
Securities and Exchange Commission  
Washington, D.C. 20549

Dear Mr. DuBois:

The American Institute of Certified Public Accountants is pleased to comment on Securities Act of 1933 Releases No. 4996-4998 and Securities Exchange Act of 1934 Releases No. 8680-8686, implementing certain recommendations of the Disclosure Policy Study Report. We have previously stated that we are largely in agreement with the philosophy and objectives of the study; consequently, we support generally the implementation proposals. In this letter and the attached memoranda, we are confining our comments to specific accounting matters and are not addressing matters of legal or economic policy.

The Accounting Principles Board has on its active agenda the following items which have a relationship to your proposals: source and application of funds, business combinations, changes in accounting methods, accounting in the extractive industries, and the equity method of accounting. The Board is also considering the subject of interim reporting. When its findings are made known, we believe that they will be helpful to companies in implementing the requirements for Form 10-Q.

As mentioned on page 2 of my July 22, 1969, letter to Commissioner Wheat, we approve of the requirement that registrants present a statement of source and application of funds in filings with the Commission, subject to the development of appropriate standards. There is a question among accountants whether a funds statement is appropriate for certain businesses, such as insurance companies, banks, savings and loan associations, finance companies, investment companies, and stock brokerage companies. The appropriateness of a funds statement for various industries, and the format to be used, involve issues not yet fully resolved.

As indicated on pages 4 and 6 of my July 22 letter, we believe it would be appropriate to continue to review and update Regulation S-X. We would be glad to discuss the recommendations made in our previous study and to participate

in further consideration of Regulation S-X.

We agree that it is reasonable to require the basic financial statements in annual reports to be filed within 90 days after the close of the fiscal year. However, many accountants have expressed reservations about the proposed requirement to file within five days of the stockholder report. This latter requirement might well act as a disincentive, having the effect of slowing disclosure rather than encouraging prompt disclosure. As the proposed filing requirements would apply to all schedules except schedule XVI, we disagree with both the 90-day and the 5-day requirements. We encourage the Commission to take the approach that Form 10-K, to be filed within 90 days, could incorporate the shareholder report for the basic financial statements in proper format, and that all supporting schedules required by Regulation S-X would have to be filed within 120 days.

We note that Forms 10 and 10-K would continue to require the inclusion of parent-company financial statements in addition to consolidated statements. The presumption that consolidated statements are usually more meaningful than separate statements is widely recognized. Furthermore, the Commission will now be requiring information as to lines of business and classes of products, as well as separate financial statements for certain unconsolidated subsidiaries and other partially-owned companies. We believe that the Commission should revise its policy regarding the requirement of parent-company statements, giving effect to a principle that such statements should not be required if consolidated statements, together with the other information being presented, are sufficient for a fair presentation of financial position and results of operations.

Attached hereto are nine memoranda setting forth specific comments on the abovementioned releases. Wherever possible, we suggest that the Commission use reporting requirements which conform with the standards of accounting promulgated by the AICPA and that the Commission include in its instructions references to pronouncements of the AICPA. This will reinforce the existing policy of the Commission and will assist registrants in complying with uniform standards of financial reporting.

Mr. Orval L. DuBois, Secretary - 3 - November 26, 1969

We appreciate the Commission's continued support in requiring financial statements to conform with standards of the AICPA. Cooperation between the Commission and the Institute leads to high standards of corporate financial reporting.

Yours very truly,

A handwritten signature in cursive script that reads "Leonard M. Savoie".

Leonard M. Savoie  
Executive Vice President

LMS:lf

Securities Act of 1933  
Release No. 4996

---

1. We approve the requirement of a statement of source and application of funds, as qualified by our comments in the attached covering letter.

2. We recommend that Instruction 3 to Item 6 of Form S-7 be modified simply to impose the requirements of Accounting Principles Board Opinion No. 15. Inasmuch as Opinion No. 15 provides for presentation of earnings per share on the face of the income statement, it would appear that a requirement to present earnings-per-share data if common stock is to be registered would be unnecessary and might imply that such data are not required if common stock is not to be registered.

Securities Act of 1933  
Release No. 4997

We have no comments on this Release.

Securities Act of 1933

Release No. 4998

Securities Exchange Act of 1934

Release No. 8686

Public Utility Holding Company Act of 1935

Release No. 16460

---

We approve the requirement of a statement of source and application of funds, as qualified by our comments in the attached covering letter.

Securities Exchange Act of 1934  
Release No. 8680

1. Proposed Rule 13a-1: The attached covering letter includes our comments regarding the proposed time limits for filing Form 10-K.
  
2. Proposed Rules 13a-11(c)(3) and 15d-11(c)(3) would exempt life-insurance companies from filing certain summarized financial information to be required on the proposed Form 10-Q. For consistency, the same exemption should be extended to registrants having life-insurance companies as significant subsidiaries or as investments carried on the equity basis.



Securities Exchange Act of 1934  
Release No. 8681

---

1. We recommend that Instruction 1 to Item 2 of Form 10, insofar as it relates to extraordinary items and retroactive adjustments, be modified to conform with the provisions of Accounting Principles Board Opinion No. 9, which differentiates extraordinary items from prior-period adjustments.

2. We recommend that Instruction 3(a) to Item 2 be modified simply to impose the requirements of Accounting Principles Board Opinion No. 15.

3. Item 3, Instructions 2 and 3: As previously indicated to you in the July 22, 1969, letter to Commissioner Wheat from AICPA's Executive Vice President, we question the usefulness of cost-per-ton and similar data to investors. While we understand your desire for disclosure of production information in the extractive industries, the disclosure of such data might be more misleading than informative, in the absence of uniform standards.

4. As discussed in the attached covering letter, we believe that the Commission should change its policy regarding the requirement of parent-company financial statements. We believe that such statements should not be required if consolidated statements, together with the other information being presented, are sufficient for a fair presentation of financial condition and results of operations.

5. Instructions as to Financial Statements - No. 7 and 8:

The Commission should note that unduly stringent requirements would result from extending the present 15% tests of significance to less-than-50%-owned companies. For example, if a 25%-owned company were carried on the equity basis and its assets equaled 16% of total consolidated assets, the registrant would be required to present separate financial statements for a company in which the registrant's interest in the assets represented only 4% (25% of 16%) of consolidated assets.

Securities Exchange Act of 1934  
Release No. 8682

1. The attached covering letter includes our comments regarding the proposed time limits for filing Form 10-K.

2. As discussed in the attached covering letter, we believe that the Commission should change its policy regarding the requirement of parent-company financial statements. We believe that such statements should not be required if consolidated statements, together with the other information being presented, are sufficient for a fair presentation of financial condition and results of operations.

3. Part I, Item 2, Instruction 1: As indicated in our Comment 1 on Release No. 8681, the instructions regarding retroactive adjustments should be modified to conform with the provisions of Opinion No. 9, which differentiates extraordinary items from prior-period adjustments.

4. Part I, Item 2, Instruction 3(a): We recommend that this instruction be modified simply to impose the requirements of Accounting Principles Board Opinion No. 15.

5. As stated in our Comment 3 on Release No. 8681, we question the usefulness to investors of production data of companies in the extractive industries.

6. Instructions to Financial Statements - No. 2: While

we approve of the requirement of comparative financial statements, we wish to point out that a requirement of certification for both years would involve considerable awkwardness in the presentation of both years' notes to financial statements. We would recommend that certification of the prior year be required only when that prior year's statements have not previously been certified and included in a Form 10-K.

7. Instructions as to Financial Statements - No. 4 and 5: In the attached covering letter and in our Comment 5 on Release No. 8681, we express our views regarding the presentation of separate financial statements for less-than-50%-owned companies carried on the equity basis.

1. As we indicated on page 6 of the July 22, 1969, letter, we support the idea of a quarterly report on Form 10-Q. However, we note in the fifth paragraph of Release No. 8683 that the Commission is considering whether Part II of the Form should be required for the fourth quarter. We believe that little useful purpose would be served by such a requirement. The Commission should consider the potential confusion that could result from having unaudited figures reported when audited annual figures will be shortly forthcoming. Also, it would be onerous to the registrants and their accountants to have to prepare an additional report while the annual reports are in progress. If any such fourth-quarter report is required, we believe that the reporting time allowed should be at least 45 days.

2. General Instruction A(c): We presume that the Commission's intention is to require a report within 10 days, limited only to the information specified in the first paragraph of Part I, Item 3. However, the proposed Instruction A(c) can be read as meaning that all the provisions of Item 3 are applicable to the 10-day report, in which case Instruction 7 would seem to necessitate the filing of financial statements as specified in Part III. The filing of such financial statements within 45 days after the end of the fiscal quarter would be practicable. However, there would be substantial difficulty in filing such statements within 10 days after the occurrence of the transaction. We believe that the proposed Instruction should be clarified.

3. The proposed Instructions to Part I, Item 3 of Form 10-Q would reduce the percentage test for determining the significance of an acquisition or disposition from 15% to 10%. We believe that the 15% criterion is adequate and should be retained; it seems doubtful that the proposed reduction of this test would particularly increase the value of Form 10-Q filings.

4. Instruction 4 to Part I, Item 3 would also require that the subject assets be tested for significance against their book value. We do not believe that the seller's book value is relevant to the transaction required to be reported.

5. Part II, General Instructions as to Financial Information-  
No. 5(c): As the Commission recognizes, certain registrants, such as those with long production periods or single crops, have unique problems with quarterly reporting. We believe that, rather than recognizing the acceptability of an alternative form of reporting in addition to the quarterly summaries, the Commission should provide for the acceptability of the trailing-year or any other method as a substitute for the quarterly summaries, upon a showing of facts that such other method would be more reasonable.

6. The instruction under line 8(a) of the Summarized Financial Information may be confusing in that it does not conform precisely to the definition of extraordinary items set forth in Accounting Principles Board Opinion No. 9. We suggest that the instruction be deleted inasmuch as registrants are required to report in conformity with Opinion No. 9.

7. We believe that the financial-statement requirement proposed in Paragraph 2(c) under Part III will frequently be impossible to comply with, because the financial statements of a company coming out of bankruptcy or insolvency are often incapable of certification by independent public accountants.

Securities Exchange Act  
Release No. 8684

Part I, Item 3, Instruction 4: As mentioned in our Comment 3 on Release No. 8683, we believe that a 15% criterion for determining the significance of an acquisition or disposition is adequate and should be retained.



Securities Exchange Act  
Release No. 8685

We have no comments on this Release.

For RELEASE Monday, September 15, 1969

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

SECURITIES ACT OF 1933  
Release No. 4996

NOTICE OF PROPOSED AMENDMENTS TO FORM S-7

Notice is hereby given that the Securities and Exchange Commission has under consideration certain proposed amendments to Form S-7 under the Securities Act of 1933. This form is a short form which may be used for registration of securities to be offered to the public for cash by certain companies having established records of earnings and stability of management and business. The proposed amendments are being considered by the Commission in connection with the recommendations contained in the recently published Disclosure Policy Study Report.

One of the conditions to use of Form S-7 is that the registrant has been engaged in business of substantially the same general character since the beginning of its last five fiscal years. It is proposed to delete this requirement and add an instruction to Item 5 of the form, which calls for information with respect to the business done and intended to be done by the registrant and its subsidiaries. The instruction would provide that if the registrant has not been engaged in business of the same general character since the beginning of its last five fiscal years, information shall be furnished as to material changes which have occurred in the general character of the business during that period.

Another condition to use of the form is that a majority of the existing board of directors of the registrant must have been directors of the registrant during each of the last three fiscal years. It is proposed to amend this provision to require that a majority of the existing board must have been directors of the registrant or a predecessor during each of the last three fiscal years. This will permit use of the form in certain situations where a registrant is presently unable to use the form because it has succeeded to another company and has added directors of the other company to its own board.

A third condition to the use of the form is that the registrant and its consolidated subsidiaries had sales or gross revenues of at least \$50,000,000 for the last fiscal year and a net income of at least \$2,500,000 for such fiscal year and \$1,000,000 for each of the preceding four fiscal years. It is proposed to amend this provision to delete the requirement with respect to sales or gross revenues and to provide that the registrant must have had a net income, after taxes but before extraordinary items, of at least \$500,000 for each of the last five fiscal years. It should be recognized, however, that this broadening of the use of the form may result in such an increase in filings on the form that it may not be possible to give expedited treatment to all such filings.

The adoption of the above amendments to broaden the availability of Form S-7 depends, in part, on the adoption of certain proposed amendments to the Commission's rules and forms relating to disclosure under the Securities Exchange Act of 1934, which the Commission now has under consideration. Under these proposals, a company would be required to disclose in annual and other reports information regarding matters such as significant changes in its business and the contribution made by any material line of its business to its sales and income, and to provide a five year summary of its earnings with appropriate reconciliation of previously reported amounts if necessary because of the acquisition of another business. Disclosure of this nature, together with that contained in proxy or information statements, should provide a publicly available reservoir of information concerning companies filing periodic reports with the Commission. With such disclosure, the Commission believes that some relaxation of the requirements for the use of Form S-7 may be justified.

Since the form would no longer require that the registrant must have had sales or gross revenues of at least \$50 million for the last fiscal year, the amended form would provide that a registrant not having sales or gross revenues in excess of that amount may use a 15 percent test, rather than a 10 percent test, in determining the lines of business and classes of products for which certain information must be furnished separately. This provision would conform the requirements of Form S-7 with those of Forms S-1 and 10 in this respect.

It is proposed to amend Item 6 of the form to require a source and application of funds statement for each fiscal year or other period for which an income statement is required. This would conform Form S-7 to the proposed revisions of Forms 10 and 10-K. Instruction 3 to Item 6 would also be amended to require the registrant to furnish as an exhibit a statement setting forth in reasonable detail the computations of per share earnings. This exhibit would facilitate the examination of the financial data furnished in response to the item.

The text of the proposed amendments follows:

I. General Instruction A containing the rule as to the use of the form would be amended to read as follows:

A. Rule as to Use of Form S-7.

Any registrant which meets the following conditions may use this form for registration under the Securities Act of 1933 of any securities which are offered for cash by or on behalf of the registrant or any other person, in a rights offering or otherwise:

(a) The registrant (1) has a class of equity securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934; or (2) is organized under the laws of the United States or any State or Territory or the District of Columbia, has its principal business operations in the United States or its Territories and has a class of equity securities registered pursuant to Section 12(g) of the above Act.

(b) The registrant has been subject to and has complied in all respects, including timeliness, with the requirements of Sections 13 and 14 of the Securities Exchange Act of 1934 for a period of at least five fiscal years immediately preceding the filing of the registration statement on this form.

~~-(c)--The registrant has been engaged in business of substantially the same general character since the beginning of the last five fiscal years--~~

~~-(d)-~~ (c) A majority of the existing board of directors of the registrant have been directors of the registrant or a predecessor of the registrant during each of the last three fiscal years.

~~-(e)-~~ (d) The registrant and its subsidiaries have not during the past ten years defaulted in the payment of any dividend or sinking fund installment on preferred stock, or in the payment of any principal, interest or sinking fund installment on any indebtedness for borrowed money, or in the payment of rentals under long term leases.

~~-(f)-~~ (e) The registrant and its consolidated subsidiaries had ~~sales or gross revenues of at least \$50,000,000 for the last fiscal year and~~ a net income, after taxes but before extraordinary items net of tax effect, of at least ~~\$2,500,000 for the last fiscal year and of at least \$1,000,000 for each of the preceding four fiscal years~~ \$500,000 for each of the last five fiscal years.

~~-(g)-~~ (f) If the securities to be registered are common stock or securities convertible into common stock, the registrant earned in each of the last five fiscal years any dividends paid in each such year on all classes of securities. If the registrant paid a stock dividend in any of such fiscal years, the aggregate amount transferred from surplus to capital in respect of each such dividend was charged only to the earned surplus account and was equal to the aggregate fair market value of the stock issued as such dividend.

II. Item 5 of the form, as amended July 14, 1969, in Securities Act Release 4988, would be amended as follows:

(A) The following new instruction would be added to paragraph (a) of the item:

"Instruction. If the registrant has not been engaged in business of the same general character since the beginning of its last five fiscal years, describe the material changes which have occurred in the general character of the business since the beginning of such period, including any materially important acquisitions or dispositions of assets, any materially important changes in the types of products produced or services rendered by the registrant and its subsidiaries, and any materially important changes in the manner of conducting the business."

(B) Paragraph (b)(1) of the item would be amended by changing the period after clause (C) thereof to a colon and adding after such clause the following:

"provided, that if total sales and revenues did not exceed \$50,000,000 during either of the last two fiscal years, the percentages specified in (A), (B) and (C) above shall be 15 percent, instead of 10 percent."

(C) Paragraph (b)(2) of the item would be amended to read as follows:

"(2) Information as to classes of products or services. State for each fiscal year specified in (1) above the amount or percentage of total sales and revenues contributed by each class of similar products or services which contributed 10 percent or more to total sales and revenues in either of the last two fiscal years, or 15 percent or more to total sales and revenues if total sales and revenues did not exceed \$50,000,000 during either of the last two fiscal years.

III. Item 6 of the form would be amended as follows:

(A) The last sentence of the item would be revised to read as follows:

"A source and application of funds statement and an analysis of earned surplus shall be furnished for each fiscal year or other period for which a statement of income is required to be furnished."

(B) Instruction 3 to the item would be amended to read as follows:

"3. If common stock is to be registered, the statements shall be prepared to present earnings applicable to common stock. Per share earnings and dividends declared for each period of the statement shall be included and the basis of computation stated. The registrant shall file as an exhibit a statement setting forth in reasonable detail the computation of per share earnings."

All interested persons are invited to submit their views and comments on the proposed amendments, in writing, to the Securities and Exchange Commission, Washington, D. C. 20549 on or before October 30, 1969. All such communications will be considered available for public inspection.

By the Commission.

Orval L. DuBois  
Secretary

FOR RELEASE Monday, September 15, 1969

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C.

Securities Act of 1933  
Release No. 4997

PROPOSAL TO ADOPT RULES RELATING TO UNDERWRITERS,  
NON-PUBLIC OFFERINGS AND BROKERS' TRANSACTIONS  
UNDER SECTIONS 2(11), 4(1), 4(2) AND 4(4) OF THE  
SECURITIES ACT OF 1933

The rules proposed herein are designed to implement the fundamental purposes of the Securities Act of 1933 (hereinafter "Act") expressed in its preamble:

"To provide full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails, and to prevent fraud in the sale thereof . . . ."

In accord with these purposes the proposed rules operate to inhibit the creation of public markets in securities of issuers which do not disclose information to the public in appropriate filings with the Commission. At the same time, where issuers do make such filings, the proposed rules would permit public sale without registration in ordinary trading transactions of limited quantities of their securities by both control persons and persons who acquired the securities in private placements.

In the view of the Commission, the consideration of these proposed rules is vitally related to consideration of the revisions of Forms 10 and 10-K and new Form 10-Q also being proposed today. If the proposed rules are adopted, the Commission would expect to monitor their operation with care.

They will apply on a prospective basis only. In other words, with respect to sales of securities acquired prior to the effective date of the proposed rules, sellers would have the option of complying with the new rules or with presently existing interpretations of the Act.

The proposed rules are necessarily technical. In order to assist persons interested in considering them, this release contains a general discussion of the background, purpose and general effect of the proposed rules. Also included are more detailed analyses of each of the proposed rules.

#### Background, Purpose and General Effect of the Proposed Rules

Consideration of the proposed rules was prompted by a report to the Commission in March 1969 entitled "Disclosure to Investors - A Reappraisal of Administrative Policies Under the '33 and '34 Acts" (hereinafter "Report"). The Report was the product of a group drawn from the staff of the Commission under the direction of Commissioner Francis M. Wheat (Securities Act Release No. 4885, November 29, 1967).

Other recommendations of the Report are being considered by the Commission. Among these are revisions of various rules, including Rule 133, relating to business combinations.

The rules here proposed are designed to provide objective tests for determining when a person who acquires securities from an issuer or a person controlling an issuer (an "affiliate") is an underwriter under Section 2(11) of the Act. A person who is an underwriter may resell the securities in compliance with the Act in several ways: The securities of course, be registered under the Act if there is to be a public offering. They can also be sold in transactions not involving any public offering (Section 4(1)). An exemption may be available for the intra-state sale of securities (Section 3(a)(11)). Regulation A under Section 3(b) provides for the public sale of limited amounts of securities without registration but with the disclosures required by that Regulation. The Commission and its staff are considering certain recommendations of the Report for broadening the use of the \$300,000 exemption now available under Regulation A, particularly as they relate to secondary offerings.

The absence of satisfactory objective tests for determining who is an underwriter under Section 2(11) of the Act both affects the ability of persons who acquire securities to realize on legitimate investments and burdens the staff of the Commission with a large number of requests for interpretations of the law and "no-action" letters. Moreover, the present rules permit sale of large quantities of securities without any of the disclosures provided by the Act or the Securities Exchange Act of 1934 (hereinafter "Exchange Act").

Proposed Rule 160 provides that a person is an underwriter if he sells restricted securities (defined in proposed Rule 161) in a distribution (defined in proposed Rule 162).

In proposed Rule 161 a restricted security is defined as any security acquired directly or indirectly from its issuer or an affiliate of its issuer in a transaction or chain of transactions none of which was a public offering or other public disposition. A restricted security would cease to be a restricted security five years after it is acquired if during each of the five years the issuer has had at least \$250,000 in gross revenues from operations.

In proposed Rule 162 a distribution is defined as any public offering of a security except certain limited brokerage transactions in the securities of an issuer filing appropriate reports with the Commission under the Exchange Act.

In proposed Rule 163 the issuers who file the appropriate reports ("qualified issuers") are defined.

To illustrate generally the operation of the proposed rules, assume that a person acquires securities in a private transaction from an issuer which is in active business but not required to file reports with the Commission under the Exchange Act. The purchaser of the securities would be required to hold those securities for five years before he could sell them without registration under the Act, unless in the interim the issuer became subject to the reporting requirements. On the other hand, assume a person acquires securities in a private transaction from an issuer required to file the appropriate reports with the Commission under the Exchange Act. The purchaser would, generally speaking, be able to sell specifically limited quantities of those securities in ordinary brokerage transactions after one year.



As noted earlier, these proposals are related to and dependent on the Commission's proposals to improve disclosure reports filed under the Exchange Act (see Exchange Act Releases 8680 to 8684, inclusive). The improved disclosure which would be produced if these proposals are adopted should provide a continuing source of information to the trading markets concerning issuers filing reports with the Commission. This would reduce the need for the disclosure required by the registration process under the Act in connection with trading transactions where no substantial selling effort is involved, such as those permitted by proposed Rule 162.

The foregoing discussion has been general. The proposed rules are technical and contain a number of exceptions. Attention is therefore directed to the detailed analysis of the proposed rules set forth below and the proposed rules themselves.

#### Analysis of Proposed Rules

##### Rule 101. Definition of Affiliate

An affiliate of an issuer would be defined for purposes of the rules and regulations under the Act as a person directly or indirectly controlling or controlled by or under direct or indirect common control with an issuer.

##### Article 5. Rules Relating to Underwriters, Non-Public Offerings and Brokers' Transactions under Sections 2(11), 4(1), 4(2) and 4(4).

Present Article 5, Amendments to Rules and Regulations, contains just one rule (Rule 161). That rule would be moved to present Article 1 as Rule 102 without substantive change.

#### Preliminary Note

A preliminary note to the proposed rules in Article 5 is provided for better understanding of the rules.

Rule 160. Certain Persons Deemed to be "Underwriters"

For purposes of Section 2(11) of the Act a person who sells a "restricted security" (as defined in proposed Rule 161) in a "distribution" (as defined in proposed Rule 162) is an underwriter. However, the definition of underwriter in Section 2(11) of the Act is not limited to such persons. For example, professional investment bankers when assisting issuers in distributing securities are clearly underwriters. Securities sold to such underwriters or securities subject to options, warrants or rights granted to such underwriters in connection with a registered public offering are considered part of the offering and should be registered under the Act.

Rule 161. Definition of Restricted Security

A restricted security is defined in paragraph (a) of proposed Rule 161 as a security acquired directly or indirectly from its issuer or an affiliate of its issuer in a transaction or chain of transactions none of which was a public offering or other public disposition.

Paragraph (b) of Rule 161 provides that if a restricted security has been such for a period of five consecutive years during each of which its issuer has had gross revenues from operations of at least \$250,000 then the security ceases to be restricted. This avoids applying the five year period to essentially "shell" corporations. Paragraph (b) also provides that with respect to a security acquired from an affiliate of its issuer the five year period is to be determined from the date of the acquisition of the security from the affiliate. The Commission believes that it would not be feasible or in the public interest for restricted securities to remain such indefinitely.

Paragraph (c) provides, in effect, that if three persons, all highly sophisticated persons with access to material information concerning the issuer, purchase securities in a private transaction and one of them then immediately makes a public offering of securities acquired in the transaction either in violation of the Act or pursuant to an exemption such as Regulation A, the securities acquired by the other two in the transaction are still deemed to be restricted.

Paragraph (d) of proposed Rule 161 provides that securities issued as a result of a stock dividend on, stock split-up or conversion of or recapitalization affecting outstanding restricted securities are deemed to be acquired at the same time as the previously outstanding restricted securities.

Under the proposed rules privately placed convertible securities and the securities issuable on their conversion generally would remain restricted securities for at least five years. Existing Rule 155 would therefore appear to be unnecessary, and the Commission is presently proposing to rescind that rule. However, the Commission is concerned that such an elimination of all the protections offered by Rule 155 to investors might be inappropriate. Accordingly, the Commission would welcome comments on this proposal.

Rule 162. General Definition of Distribution in Section 2(11)

Paragraph (a) of proposed Rule 162 defines distribution as any public offering of a security unless specified requirements are met. It should be noted, however, that a person who makes a distribution is not necessarily an underwriter unless he makes a distribution of a restricted security.

Subparagraphs (1) through (4) of proposed Rule 162(a) establish requirements which must be met if a public offering is not to be deemed a distribution. In substance, these subparagraphs provide that restricted securities of an issuer which files the appropriate reports with the Commission may be sold without registration, if held for a one year period, in specified limited quantities in ordinary brokerage transactions.

Subparagraph (1) requires that the issuer be a "qualified issuer" (defined in proposed Rule 163).

Subparagraph (2) provides that restricted securities must have been held for a period of generally one year (as more particularly provided in paragraph (c) of proposed Rule 162). An affiliate selling securities purchased in the open market would not be holding restricted securities.

Subparagraphs (3) and (4) set the limitations on transactions with some variation, the limitations, which relate to the method of sale and the amount of securities that may be sold, are those set forth in present Rule 154 for brokerage transactions on behalf of affiliates.

The offering must be made through a broker acting as agent for the seller. The broker may not solicit buy orders and may charge no more than the minimum commission applicable on the exchange on which the security is listed or no more than the minimum commission applicable on the New York Stock Exchange if the security is not listed on the exchange. The prohibition against solicitation does not prevent the broker from making inquiry of other brokers or publishing of bid and offer quotations in an inter-dealer quotation service if the broker has been making a market in the security for the specified period. The offeror may not solicit or arrange for others to solicit buy orders and the offeror may not make any payment except the specified commission in connection with the transaction.

As provided in subparagraph (4), the amount involved in the transaction must not be substantial in relation to the number of shares of the security outstanding or the aggregate trading volume of the security. Without limiting the generality of the foregoing, the rule indicates specific limits on the amount of securities which may be sold in any six month period by an "offeror" (as defined in Rule 162(b)). For a security not listed on the exchange, this limit is generally one percent of the shares of the security outstanding. For a security listed on an exchange the limit is generally the lesser of one percent of the shares of the security outstanding or the largest aggregate reported trading volume during any one week within the four calendar weeks preceding the receipt of the order. Sales limited as described could be made in successive six-month periods without violations of the rule.

Paragraph (b) of proposed Rule 162 defines "offeror" (person offering restricted securities) for purposes of Rule 162 to include certain other persons such as relatives and corporations controlled by the person offering a restricted security. The relationship of these other persons to the offeror is such that it is appropriate to include securities sold by them within six months with those of the offeror for purposes of determining the amount of securities which may be sold pursuant to proposed Rule 162.

Paragraph (c) of proposed Rule 162 establishes the appropriate holding period for restricted securities which are to be offered pursuant to proposed Rule 162. Generally the requirement is that the restricted security must have been fully paid for and held by the offeror for at least one year prior to the transaction. To avoid a continuing distribution by an issuer seeking to finance its operations through a series of private placements and resales under proposed Rule 162, the rule also provides that the offeror must not have purchased any other restricted securities of the same issuer for one year prior to the transaction.

Subparagraphs (2) through (5) of proposed Rule 162(c) provide exceptions to the general rule of a one year holding period.

Subparagraph (2) provides that with respect to restricted securities acquired in connection with business combinations, the one year holding period is to be determined by combining the period for which the restricted security was held with the period for which the offeror's interest in the business which represented the consideration for the issuance of the restricted securities was held, if the business had gross revenues from operations of at least \$250,000 for one year prior to the time the restricted security was acquired. (In addition, securities issued as installment payments in connection with a purchase of assets are deemed to have been held from the time of the purchase (paragraph (1) of Rule 162(b)). The gross revenues requirement is intended to prevent evasion of the registration requirements of the Act through the formation of essentially "shell" entities designed to be acquired later by the issuance of restricted securities.

Subparagraphs (3) and (4) of proposed Rule 162(c) provide that the holding period for restricted securities acquired by reason of death, gift, termination of bona fide trusts or bona fide pledge may be determined by combining the period during which the offeror held the restricted securities and the period during which the decedent, donor, trustee or pledgor held such securities. These exceptions appear appropriate, since it is unlikely in most instances that a donee of a gift, a beneficiary of an estate or bona fide trust or a bona fide pledgee would be a conduit for financing an issuer so as to require registration under the Act.

Proposed Rule 163. Qualified Issuers

Proposed Rule 163 determines the class of issuers whose securities may be sold in limited quantities pursuant to Rule 162. Paragraph (a) of Rule 163 limits the class to those issuers with securities registered under Section 12 of the Exchange Act or required to file reports under Section 15(d) of that Act.

Issuers filing registration statements on Form 10 pursuant to Section 12(g) of the Act are not qualified under Rule 163 until 6 months after the effective date of the registration statement or such shorter period as the Commission may determine in the public interest.

The Commission is giving consideration to a possible modification of this requirement to provide that such an issuer is not qualified under Rule 163 until such time as it has furnished to its shareholders an annual report and a proxy or information statement prepared in accordance with Regulation 14A or 14C under the Exchange Act. Such a provision might ensure wider dissemination of information concerning issuers registering securities under Section 12(g) of the Exchange Act prior to the time such issuers become qualified under proposed Rule 163. Accordingly, the Commission would welcome comments on this proposal.

Paragraph (b) of proposed Rule 163 provides that the issuer must be required to file annual reports on Form 10-K, 12-K, U5-S or N1-R. The Commission believes that issuers required to file reports on those forms provide the trading markets with sufficient information to permit sales without registration of securities of such issuers in accordance with the limitations provided in Rule 162. The quality and timeliness of information with respect to issuers filing reports on Form 10-K will be enhanced should the Commission adopt its proposed amendments to that form (Securities Exchange Act Release No. 8682). Moreover, the Commission and its staff are considering a recommendation in the report to revise Form 12-K, and Form N1-R was recently revised (Investment Company Act of 1940 Release No. 5325).

Most issuers filing annual reports on the enumerated forms also would be required to file quarterly reports including financial information on the proposed Form 10-Q (Securities Exchange Act Release No. 8683).

Paragraph (c) of proposed Rule 163 provides that securities of an issuer which is subject to certain specified administrative proceedings before the Commission relating to disclosure matters may not be sold under proposed Rule 162. The Commission may in its discretion waive the requirements of Rule 163(c) on request of the issuer.

Paragraph (d) and (e) of proposed Rule 163 provide that the Commission may by order temporarily declare a particular issuer not qualified under that Rule if the disclosures made by that issuer under the requirements of the 1934 Act are deficient or tardy. A hearing would be held after the Commission issued the temporary order if the issuer so requests. After hearing, the order would either be vacated or made permanent.

Proposed Rule 163 represents a departure from the recommendations in the Report in one respect. The Report recommended that the Commission maintain and widely disseminate a current list of those issuers who were required to file the enumerated reports, and who were not otherwise disqualified. The securities of such issuers could be sold pursuant to what is now proposed Rule 162. The list would have been available to brokers and others to determine, in part, whether an issuer's securities could be sold pursuant to the Rule. Brokers relying on the list would have the protection from liability provided by a Commission rule, assuming the other conditions for sales pursuant to Rule 162 had been met.

The Commission has been advised by its staff that the wide dissemination of such a list on a current basis might not be feasible as a practical matter. As an alternative to such a list the Commission proposes the following:

- (1) The standards and procedures set forth in proposed Rule 163;
- (2) The Commission will maintain currently in its files, with the assistance of its electronic data processing equipment, information to enable it to determine those issuers meeting the standards of proposed Rule 163;
- (3) The Commission will provide a service whereby a person desiring to ascertain the status of an issuer under proposed Rule 163 can obtain that information;

- (4) The Commission proposes to adopt Rule 164 discussed below in this release, which will make available the exemption provided in Section 4(4) of the Act for unsolicited brokerage transactions to brokers who make reasonable inquiry and believe that a transaction meets the requirements of Rule 162;
- (5) Copies of releases announcing administrative proceedings or entry of orders under Rule 163(d) will be mailed to all broker-dealers registered with the Commission.

Rule 164. Definition of Certain Terms Used in Section 4(4)

Section 4(4) of the Act provides an exemption for unsolicited brokers' transactions. Rule 154 presently defines the terms of this exemption in cases of unsolicited brokers' transactions effected on behalf of persons controlling an issuer. Since proposed Rule 162, if adopted, would serve to define the terms of the exemption for such persons, the Commission believes that the broker's part of the transaction should also be dealt with in the same series of rules. Proposed Rule 164 would therefore be substituted for present Rule 154.

Proposed Rule 164 provides that a broker acting for the account of an affiliate of an issuer or of any person disposing of a restricted security is engaged in "brokers' transactions" as that term is used in Section 4(4), if he has made reasonable inquiry of his customer and has no grounds for believing and does not believe that the transaction is a distribution under proposed Rule 162.

Thus, a broker's transaction satisfying the requirements of Rule 164 would be exempt under Section 4(4) even if the transaction was in fact part of a distribution. For example, if the broker ascertained after reasonable inquiry that a security might be sold under proposed Rule 162 and sold the security for the offeror, and it was subsequently determined that the offeror, unknown to the broker, had paid another person to solicit orders which would violate the terms of Rule 162, the broker's part of the transaction would nevertheless be exempt. The offeror's part of the transaction would not be exempt.



"Reasonable inquiry" under proposed Rule 164 should include inquiry as to:

Offeror (as defined in Rule 162(b))

- (1) Whether the offeror is an affiliate of the issuer under Rule 101.
- (2) The number of years the offeror has held the security since he purchased and paid for the security or otherwise acquired it. If practicable the inquiry should include physical inspection of the stock certificates held by the offeror. It may also be necessary to determine where and under what circumstances the security was acquired.
- (3) Acquisition by the offeror of any other securities of the issuer within the past year.
- (4) Sales of securities of the issuer by the offeror within the past six months.
- (5) Whether the offeror intends to sell securities of the same issuer through any other means.
- (6) Whether the offeror has solicited or made any arrangements for the solicitation of buy orders in connection with the proposed transaction.

Issuer

- (7) The total number of shares of the issuer outstanding or the relevant trading volume.
- (8) Whether the issuer is qualified under Rule 163.
- (9) Whether the issuer or any of its securities are subject to an administrative proceeding before the Commission, or whether the Commission has issued any orders under Rule 163(d). This information can be verified by checking Commission releases announcing such proceedings or the entry of such orders.
- (10) Any other information the broker may deem relevant to establish an exemption under Section 4(4).

**Proposed Rule 180. Effect of Transactions not Constituting "Distributions" Under Rule 162 on Applicability of the Exemption Contained in Section 4(2) of the Act**

Proposed Rule 180 provides that resales under proposed Rule 162 of securities acquired in a private transaction will not affect the exemption available for the issuer under Section 4(2) of the Act for the private transaction. Resales which are not made under Rule 162 may, depending upon the circumstances, cause the exemption for the issuer under Section 4(2) to be unavailable on the ground that the transaction was one "involving a public offering."

Copies of the proposed rules are attached.

All interested persons are invited to submit views and comments on the above proposals, in writing, to the Securities and Exchange Commission, Washington, D. C. 20549 on or before October 30, 1969. All such comments will be considered available for public inspection.

By the Commission.

Orval L. DuBois  
Secretary

THE PROPOSED RULES

Rule 101. Definition of Affiliate

As used in the rules and regulations under the Act an "affiliate" of, or a person "affiliated" with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

ARTICLE 5. RULES RELATING TO UNDERWRITERS, NON-PUBLIC OFFERINGS AND  
BROKERS' TRANSACTIONS UNDER SECTIONS 2(11), 4(1), 4(2) AND  
4(4) OF THE ACT

Preliminary Note

The rules in this Article 5 are designed to implement the Act's fundamental aim: "To provide full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails, and to prevent fraud in the sale thereof . . ." Pursuant to that objective, the rules operate (1) to inhibit the creation of public markets in securities of issuers which have not disclosed material information about themselves in appropriate filings with the Commission, and (2) to permit the sale in ordinary trading transactions of limited quantities of the securities of issuers which are making such filings where exemption is not otherwise available.

Certain basic principles are essential to an understanding of the requirement of registration in the Act:

1. If any person utilizes the jurisdictional means to sell any non-exempt security to any other person, the security must be registered unless a statutory exemption can be found for the transaction.
2. In addition to the exemptions found in Section 3, four exemptions applicable to transactions in securities are contained in Section 4. Three of these Section 4 exemptions are clearly not available to anyone acting as an "underwriter" of securities. (The fourth, found in Section 4(4), is available only to those who act as brokers under certain limited circumstances.) An understanding of the term "underwriter" is therefore important to anyone who wishes to determine whether or not an exemption from registration is available for his sale of securities.

The term "underwriter" is broadly defined in Section 2(11). Thus, an investment banking firm which arranges with an issuer for the public sale of its securities is clearly an "underwriter" under that Section. Not so well understood is the fact that individual investors who are not professionals in the securities business may be "underwriters" within the meaning of that term as used in the Act if they act as links in a chain of transactions through which securities move from an issuer to the public. The rules in this Article set forth objective tests to determine when such investors are "underwriters" and when they are not.

The keys to such determination are the terms "restricted securities," defined in Rule 161 and "distribution," defined in Rule 162. Persons are underwriters when they participate in or are connected with a "distribution" of "restricted securities" (Rule 160).

Under Rule 162 a "distribution" means any public offering of securities excepting only a limited kind of public offering of the securities of a company which regularly provides public disclosure of its affairs by filing reports with the Commission under Sections 13 or 15(d) of the Securities Exchange Act of 1934, and meets certain other standards as set forth in Rule 163.

An example of a "restricted security" would be a security sold directly by its issuer to a non-public group of investors. Under Rule 161 a "restricted security" of this type ceases to be such five years after it was first issued and fully paid for (provided that the issuer has had gross revenues from operations of at least \$250,000 during each of the five years). Another example of a "restricted security" would be a security sold by an affiliate of the issuer (as defined in Rule 101 under the Securities Act) to a non-public group of investors; a "restricted security" of this type ceases to be such five years after it was privately sold by the affiliate provided that the issuer has had gross revenues from operations of at least \$250,000 during each of the five years.

If one of the investors in the examples given in the previous paragraph should resell his "restricted securities" in a transaction not involving a public offering, he would not be making a "distribution." Therefore, he would not be an "underwriter." The securities, however, would remain "restricted securities" until the five year period had elapsed, and the purchaser of those securities in the non-public offering would be an "underwriter" if he should resell them prior to that time in a "distribution."

Restricted securities which ultimately reach the hands of investors as the result of a public offering or other public disposition are no longer classified as restricted securities. For example, assume that a holder of restricted securities sells such securities to the public in a transaction which meets the requirements of Rule 162 and is therefore not a "distribution." The securities cease to be "restricted securities." Assume further that a portion of the

securities so sold are purchased by a person not an affiliate of the issuer and are later resold by him. His resale transaction may come within the definition of "distribution." However, the securities he is selling are not "restricted securities." Under these circumstances, he is not an underwriter. If he is not a dealer in securities, his transaction is exempt from registration under Section 4(1) of the Act; if he is a dealer in securities, his transaction would normally (depending on the circumstances) be exempt from registration under Section 4(3) of the Act.

These rules in no way prevent holders of restricted securities from reselling them in bona fide "private placements." Such placements can be made without registration even though the issuer has made no public disclosure of its affairs, provided such placements are not of such character as to convert an original private offering into a public offering. Generally, whether or not an offering is public will depend on the facts and circumstances of the particular transaction. See S.E.C. v. Ralston Purina Co., 346 U.S. 119 (1952) and Securities Act Release No. 4552 (1962). Careful precautions by the issuer of the securities will be essential to assure that a public offering does not result through resales of securities initially purchased in transactions meeting the tests set forth in the Ralston Purina case. Although such assurance cannot be obtained merely by the use of an appropriate legend on stock certificates or other instruments evidencing securities originally sold in a "private placement," or by other procedures in common use, such as appropriate instructions to transfer agents, these devices may serve a very useful policing function. When the securities are subsequently transferred in private transactions and therefore remain restricted securities (as defined in Rule 161), the use of the legend on the certificates helps not only to prevent possible violation of the Act but also to alert the buyer to the restricted character of the securities he has acquired. It may thus assist in the prevention of fraud.

Absent a legend on the securities, the issuer may be unable, under applicable state law, to prevent a transfer thereof which would be inconsistent with exemption.

Accordingly, issuers of securities are urged to stamp or print on the face of certificates or other instruments evidencing restricted securities a conspicuous legend referring to the fact that the securities have not been registered under the Securities Act of 1933 and may be offered or sold only if registered under the provisions of that Act or if an exemption from registration is available. Legends in general use frequently require an opinion of counsel satisfactory to the issuer as a condition precedent to an offer of sale. If the restrictions on transfer of the securities are contained in a written agreement, the appropriate legend may consist of a statement that no transfer will be valid unless made in accordance with such agreement. Issuers are likewise urged to maintain such legend on the securities until they cease to be "restricted securities." The Commission will regard the presence or absence of such legend upon certificates or other instruments evidencing restricted securities as a significant indication of whether the circumstances surrounding an offering are consistent with exemption under Section 4(2) of the Act.

Rule 160. Certain Persons Deemed to be "Underwriters"

The phrase "person who . . . offers or sells for an issuer in connection with the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking" in Section 2(11) shall include (but not be limited to) any person who disposes of a restricted security (as defined in Rule 161) in a distribution (as defined in Rule 162).

Rule 161. Definition of "Restricted Security"

(a) A "restricted security" means any security acquired directly or indirectly from its issuer, or from an affiliate of its issuer, in a transaction or chain of transactions none of which was a public offering of other public disposition.

(b) If a restricted security has been such for any period of five consecutive years during each of which its issuer has had annual gross revenues from operations amounting to at least \$250,000, it shall cease to be a restricted security; provided that with respect to a restricted security acquired from an affiliate of its issuer no such period shall be deemed to have commenced until the date such security was so acquired.

(c) A restricted security acquired by a person in a transaction or chain of transactions referred to in paragraph (a) of this Rule shall remain a restricted security notwithstanding the fact that another person makes a public offering of securities acquired in such transaction or chain of transactions.

(d) Shares issued as a result of a stock dividend on, stock split or conversion of, or recapitalization affecting, outstanding restricted securities shall be deemed to be restricted securities acquired at the same time as the previously outstanding restricted securities for the purposes of this Rule.

Rule 162. General Definition of "Distribution" in Section 2(11)

(a) The term "distribution" in Section 2(11) of the Act means any public offering of a security excepting only a transaction which meets all of the following requirements:

- (1) Rule 163 qualified issuer. At the time of the transaction, the issuer of the security is a qualified issuer under Rule 163.
- (2) Holding period for restricted securities. If the security is a restricted security, it has been held by the offeror for the period, and in accordance with the provisions, specified in part (c) of this Rule 162.

- (3) Unsolicited Brokerage. The offering is made through a broker acting as agent for the offeror and
- (A) The broker does no more than execute an order or orders to sell as broker and receives in the case of a security listed on the New York Stock Exchange or other non-exempt national securities exchange no more than the applicable minimum commission and, in the case of a security not listed on any such exchange, nor more than the minimum commission that would have been applicable had the security been listed on the New York Stock Exchange.
  - (B) The offeror makes no payment in connection with the execution of the transaction to any other person.
  - (C) The offeror neither solicits nor arranges for the solicitation of orders to buy in anticipation of or in connection with the transaction.
  - (D) The broker neither solicits nor arranges for the solicitation of customers' orders to buy in anticipation of or in connection with the transaction. The foregoing shall not preclude inquiries by the broker of other bona fide brokers or dealers as to their interest in the security, nor shall it preclude the publication by the broker of bid and offer quotations for the security in an inter-dealer quotation service, provided (i) that such quotations are incident to the maintenance of a bona fide inter-dealer market for the security for the broker's own account, and (ii) the broker has published bona fide bid and offer quotations for the security in an inter-dealer quotation service on at least seven of the ten consecutive business days before his receipt of the offeror's order.
- (4) Limitation on amount of securities. The amount involved in the transaction is not substantial in relation to the number of shares or units of the security outstanding and the aggregate volume of trading in the security. Without limiting the generality of the foregoing, an amount shall not be deemed substantial for purposes of this paragraph if it involves a sale or series of sales of the security which, together with all other sales of securities of the same class by or on behalf of the same offeror within the preceding six months (excepting only sales of the security in non-public offerings) will not exceed the following: (A) if the security is traded only otherwise than on a securities exchange, approximately one percent of the shares or units of such security outstanding at the time of receipt by the broker of the order to execute such transactions; or (B) if the security is admitted to trading on a securities exchange the lesser of (i) one percent of the shares or units of such security outstanding at the time of receipt by the broker of the order to execute such transac-

tions or (ii) the largest aggregate reported volume of trading on securities exchanges during any one week within the four calendar weeks preceding the receipt of such order.

- (b) Definition of "Offeror." For purposes of this Rule 162, the term "offeror" shall mean the person who offers a security, together with: (i) his spouse and minor children, (ii) any relative of such person or of his spouse who has the same home as such person, (iii) any trust or estate in which such person, his spouse, any of his or his spouse's minor children, and any relative of such person or his spouse who has the same home as such person, collectively have a substantial beneficial interest or as to which any of the foregoing serves as trustee, executor or in a similar fiduciary capacity, and (iv) any corporation or other organization controlled by such person, his spouse, any minor child of such person or of his spouse, or any relative of such person or of his spouse who has the same home as such person.
- (c) The required holding period for restricted securities under paragraph (2) of part (a) of this Rule shall be determined in accordance with the following principles:
- (1) General Rule. The restricted securities shall have been beneficially owned by the offeror for at least one year prior to the transaction. If purchased by the offeror, the full purchase price of such securities shall have been paid at least one year prior to the transaction. During a period of one year prior to the transaction, the offeror shall not have purchased or agreed to purchase any other restricted securities of the same issuer, whether or not of the same class as the securities offered by him.

Shares acquired directly from the issuer by reason of a stock dividend, stock split-up or other recapitalization shall, for the purposes of this part (c), be deemed to have been held under the same conditions and for the same period of time as the changed or split shares or the shares on which the dividend was paid. Shares acquired on complete or partial liquidation of a partnership shall be deemed to have been purchased on the date of such liquidation.

Shares acquired by the offeror directly from the issuer as an installment payment of the purchase price of assets sold to the issuer at least one year prior to such acquisition shall, for purposes of this part (c), be deemed to have been purchased at the time of such sale if, at the time of such sale, the issuer was committed to issue such shares subject only to conditions not involving the payment of any money or property by any person.



- (2) Securities Acquired in Certain Business Combinations. Where the offeror acquired the restricted securities for a consideration consisting primarily of an equity interest in a business which has had gross revenues from operations of at least \$250,000 during the immediately preceding twelve calendar months then the holding requirement shall be deemed satisfied if the period during which the offeror owned such interest, combined with the period during which he has owned the restricted securities, totals at least one year. For purpose of this subparagraph (c)(2), if the offeror acquired any part or parts of such interest within one year prior to his acquisition of the restricted securities, the holding requirement shall be fixed on the date of the latest acquisition of such part or parts.
- (3) Securities Acquired by Reason of Death, Gift or Termination of a Bona Fide Trust
- (A) Where the offeror acquired the restricted security from a person other than the issuer by reason of death, or inter-vivos gift, or distribution to beneficiaries on termination of a bona fide trust, the holding requirement shall be deemed satisfied if the period during which the offeror has owned the security, combined with the period during which the decedent, donor or trustee owned the security, totals at least one year, and if, during a period of one year prior to the transaction, the offeror has neither purchased nor agreed to purchase any other restricted securities of the same issuer, whether or not of the same class as the securities offered by him.
- (B) Where the offeror acquired the restricted securities from an affiliate of the issuer of such securities by reason of death, inter-vivos gift, or distribution to beneficiaries on termination of a bona fide trust, the holding requirement shall not apply if the securities were not restricted securities in the hands of such affiliate.
- (4) Pledged Securities
- (A) Where the offeror is a bona fide pledgee of the restricted securities, the holding requirement shall be deemed satisfied if the period during which the pledgee has held the securities in pledge subsequent to the loan for which the pledge was received, combined with the period during which the pledgor owned the restricted securities prior to the pledge, totals at least one year, and if, during a period of one year prior to the offer, the pledgee has neither accepted in pledge nor agreed to accept in pledge from the same pledgor, any other restricted securities of the same issuer, whether or not of the same class as the securities offered by him.

- (B) Where the offeror is a bona fide pledgee of the restricted securities and where the pledgor of the securities at the time the pledge was made was an affiliate of the issuer of such securities, the holding requirement shall not apply if the securities were not restricted securities in the hands of the pledgor.
- (C) Where the offeror has acquired the restricted securities in a non-public transaction from a pledgee thereof by reason of default on the loan for which the pledge was received, the holding requirement shall be deemed satisfied if the period during which the offeror has owned the securities, combined with the periods during which the pledgee held the securities in pledge and the pledgor owned the securities prior to the pledge totals at least one year, and if, during a period of one year prior to the transaction, neither the offeror nor the pledgee has purchased or agreed to purchase any other restricted securities of the same issuer, whether or not of the same class as the securities offered by him.
- (5) Securities Acquired by Conversion of Other Restricted Securities. Where the offeror acquired the restricted securities directly from the issuer for a consideration consisting solely of other restricted securities of the same issuer surrendered for conversion, the holding requirement shall be deemed satisfied if the period during which the offeror owned the securities so surrendered for conversion, combined with the period during which he has owned the securities issued on conversion, totals at least one year, and if during a period of one year prior to the transaction the offeror has neither purchased nor agreed to purchase any other restricted securities of the same issuer, whether or not of the same class as the securities offered by him.

Rule 163. Qualified Issuers

- (a) Subject to paragraphs (b) (c) and (d) below, qualified issuers shall include (1) all issuers of any security registered on a national securities exchange pursuant to Section 12(b) of the Securities Exchange Act, (2) all issuers of any security as to which a registration statement filed with the Commission pursuant to Section 12(g) of the Securities Exchange Act has been effective for a period of six months, or such shorter period as the Commission may determine as to a particular issuer, and (3) all issuers required to file reports with the Commission pursuant to Section 15(d) of the Securities Exchange Act.
- (b) Qualified issuers under this rule shall include only those issuers referred to in paragraph (a) above which are required by the Commission's rules to file annual reports on Form 10-K, 12-K, U5-S or N1-R.

- (c) No issuer shall be deemed to be a qualified issuer under this rule if there is a proceeding pending or order outstanding under Sections 3(b), 3(b) or 3(d) of the Act or Sections 15(c)(4) or 19(a)(2) of the Securities Exchange Act relating to the issuer or any of its securities, unless the Commission has by order waived the application to such issuer of this paragraph (c).
- (d) If the Commission has reason to believe that a report or statement required to be filed by an issuer pursuant to the Securities Exchange Act has not been timely filed, or that any such report or statement or registration statement under this Act filed by such issuer omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or if it believes that such order is otherwise necessary or appropriate for the protection of investors, the Commission may at any time in its discretion issue an order providing that such issuer is temporarily not a qualified issuer under this rule.
- (e) Upon the entry of an order under paragraph (d) of this rule, the Commission will promptly give notice to the issuer (i) that such order has been entered, together with a brief statement of the reason for the entry of the order, and (ii) that the Commission, upon receipt of a written request within 30 days after the entry of such order, will, within 20 days after receipt of such request, set the matter down for hearing at a place to be designated by the Commission. If no hearing is requested and none is ordered by the Commission, the order shall become permanent on the thirtieth day after its entry and shall remain in effect unless and until it is modified or vacated by the Commission. Where a hearing is requested or is ordered by the Commission, the Commission will, after notice of opportunity for such hearing, either vacate the order or make the order permanent. If made permanent such order shall remain in effect unless and until it is modified or vacated by the Commission. All notices required by this rule shall be given to the issuer by personal service, registered or certified mail, or confirmed telegraphic notice at the office of the issuer set forth in the issuer's filings with the Commission.

Rule 164. Definition of certain terms used in Section 4(4).

- (a) The term "brokers' transactions" in Section 4(4) of the Act shall be deemed to include transactions by a broker acting as agent for the account of
- (1) an affiliate of the issuer of the securities which are the subject of the transaction, or
  - (2) any person disposing of a restricted security, as defined in Rule 161 in the transactions,

only if the broker has made reasonable inquiry of his customer and has no grounds for believing and does believe that the transactions constitute a distribution as defined in Rule 162.

- (b) Only the broker's part of a "brokers' transaction," as the term is used in Section 4(4) of the Act, is exempt under that section from the provisions of Section 5 of the Act.
- (c) The term "solicitation of such orders" in Section 4(4) of the Act shall be deemed to include the solicitation of an order to buy a security, but shall not be deemed to include the solicitation of an order to sell a security.

Rule 154 [Rescinded]

Rule 155 [Rescinded]

Article 1. "Definition of Terms Used in the Rules and Regulations" - redesignated - "Definition of Terms Used in the Rules and Regulations and Application of Rules and Regulations"

Rule 161. Amendment to Rules and Regulations Governing Exemptions - redesignated - Rule 102

Rule 180. Effect of Transactions not Constituting "Distributions" Under Rule 162 on Applicability of the Exemption Contained in Section 4(2) of the Act

Resales of securities by persons other than the issuer thereof in public offerings which, by reason of the provisions of Rule 162, do not constitute "distributions," shall not be deemed to affect the availability of the exemption contained in Section 4(2) of the Act for the previous sale of such securities by the issuer, if such exemption is otherwise available.



For RELEASE Monday, September 15, 1969

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

SECURITIES ACT OF 1933

Release No. 4998

SECURITIES EXCHANGE ACT OF 1934

Release No. 8686

PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

Release No. 16460

NOTICE OF A PROPOSED AMENDMENT TO REGULATION S-X

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposed amendment to Regulation S-X to implement proposed revisions of Forms 10 and 10-K. Regulation S-X is the basic regulation governing the form and content of financial statements.

The proposed amendment relates to the statement of source and application of funds, which is also often referred to as the funds statement.

In 1961 when Dr. Perry Mason's report on "'Cash Flow' Analysis and the Funds Statement" was released by the American Institute of Certified Public Accountants, it was indicated that of the annual reports of 600 industrial companies studied in 1959, 190 (32%) included one type or another of "funds" statement. That Institute has recently disclosed that in 1967, 524 (87%) of the annual reports of the 600 companies surveyed contained a funds statement and that such statement was referred to in the auditors' report in 413 of the 524 cases. (Accounting Trends and Techniques, 1968.)

In October 1963 the Accounting Principles Board of the American Institute of CPAs issued its Opinion No. 3, "The Statement of Source and Application of Funds." Paragraph 8 of that Opinion states that the Board believes that such a statement should be presented as supplementary information in financial reports but indicated that (a) inclusion was not mandatory, and (b) coverage thereof in the report of the certifying accountants was optional. The Opinion was endorsed by the New York Stock Exchange and by the Directors of the Financial Analysts Federation.

The Commission's Staff Study on Disclosure to Investors (The Wheat Report) has recommended that certified comparative statements of source and application of funds should be included in initial registration statements and in annual reports filed with the Commission. The proposed amendment to Regulation S-X is intended to implement those recommendations in regard to Forms 10 and 10-K. As other forms to be filed are revised, appropriate reference to this amendment will be effected.

This amendment is proposed to be made pursuant to authority conferred on the Securities and Exchange Commission by the Securities Act of 1933, particularly Sections 6, 7, 8, 10, and 19(a) thereof; the Securities Exchange Act of 1934, particularly Sections 12, 13, 15(d), and 23(a) thereof; and the Public Utility Holding Company Act of 1935, particularly Sections 5(b), 14, and 20(a) thereof.

The text of the proposed amendment is set forth below:

Article 11A - Statement of Source and Application of Funds

Rule 11A-01. Application of Article 11A. This article prescribes the content of the statement of source and application of funds and shall be filed for each person filing financial statements pursuant to Articles 5, 7 and 7A.

Rule 11A-02. Statement of Source and Application of Funds. The statement of source and application of funds shall summarize the changes in financial condition, showing the sources from which funds have been obtained and their disposition. (See Rule 3-01.)

Material changes in the components of working capital shall be shown in the statement or in a supporting tabulation.

As a minimum, the following shall be reported:

(a) Sources of funds:

- (1) Current operations (showing separately net income or loss and the addition and deduction of specific items which did not require the expenditure of funds, e.g., depreciation and amortization, deferred income taxes, undistributed earnings or losses of unconsolidated persons, etc.)
- (2) Sale of non-current assets (identifying separately such items as investments, fixed assets, intangibles, etc.)
- (3) Issuance of securities or other long-term debt
- (4) Issuance of capital stock

(b) Disposition of funds:

- (1) Purchase of non-current assets (identifying separately such items as investments, fixed assets, intangibles, etc.)
- (2) Redemption of securities or repayment of other long-term debt

(3) Redemption of capital stock

(4) Dividends

\*\*\*\*\*

All interested persons are invited to submit their views and comments on the proposed amendment, in writing, to the Securities and Exchange Commission, Washington, D. C. 20549, on or before October 30, 1969. Except where it is requested that such communications not be disclosed, they will be considered available for public inspection.

By the Commission.

Orval L. DuBois  
Secretary





For RELEASE Monday, September 15, 1969

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

SECURITIES EXCHANGE ACT OF 1934  
Release No. 8680

NOTICE OF PROPOSED AMENDMENT OF RULES AND FORMS RELATING  
TO REGISTRATION AND REPORTING UNDER THE SECURITIES  
EXCHANGE ACT OF 1934

Notice is hereby given that the Securities and Exchange Commission has under consideration certain proposed amendments to its General Rules and Regulations under the Securities Exchange Act of 1934 and to its registration and reporting forms under that Act. Since these proposals involve the amendment of several different registration and reporting forms, a separate release will be published with respect to each form proposed to be amended. The proposed changes in the General Rules and Regulations under the Act are hereinafter set forth. Attention is also directed to Securities Act Release No. 4997.

These proposals are part of the steps being taken to implement recommendations contained in the recently published report of the Commission's Disclosure Policy Study. They are designed to improve disclosure made under the Act to better contribute to the objective of a fair and informed market for securities in which there is a substantial public investor interest. This is particularly important, as pointed out in the report, by reason of the increased public interest in the securities market in recent years.

The Commission considers improvements in disclosure under the Act to be necessarily related to the implementation of many of the other recommendations contained in the above-mentioned report, including proposals relating to the simplifications of registration requirements and procedures under the Securities Act of 1933 and proposals to make more definite the rules relating to the application of that Act to securities offered by persons in a control relationship with an issuer or by persons who acquire securities from an issuer in private transactions and may therefore be deemed to be underwriters.

A brief description of the changes proposed in the General Rules and Regulations under the Securities Exchange Act is set forth below.

Rule 12b-23. This rule as amended would incorporate in a single rule, applicable to both registration statements and reports, the present requirements under Section 12, 13, and 15(d) with respect to incorporation by reference of matter other than exhibits. Incorporation of exhibits by reference is governed by Rule 12b-32. In order that the microfiche system for the public dissemination of reports and documents filed with the Commission may work, it is necessary that a copy of any document or financial statement incorporated by reference be filed with the registration statement or report in which it is so incorporated. The amended rule would require the filing of such copies.

Rule 12b-25. Existing Rule 12b-25 provides for an extension of time of not more than 60 days within which to furnish any required information or document. An application for an extension is deemed to be granted unless it is denied within ten days after its receipt. The amended rule would provide for an extension of 30 days which could be renewed for an additional 30 days in appropriate cases. Thereafter, any further extension would not be deemed to be granted unless the Commission enters an order granting it. The amended rule would also spell out more explicitly the procedures to be followed in applying for extensions of time.

Rule 12b-34. Existing Rule 24(b) of the Commission's Rules of Practice provide for the classification of certain documents as basic documents which may be placed in a special file to form a permanent record of the company to which the documents relate. It is proposed to adopt a new Rule 12b-34 which would classify certain documents as basic documents for the purpose of Rule 24(b). In addition, the proposed rule would require companies filing a registration statement under Section 12 of the Act to identify the exhibits filed therewith which are classified as basic documents. Companies having securities already so registered would be required to identify in their next annual report all documents previously filed which are classified as basic documents.

Rule 13a-1. This rule presently requires the filing of annual reports and provides that such reports shall be filed within 120 days after the end of the fiscal year or such other period as may be specified in the appropriate form. Since the proposed revision of Form 10-K provides for different filing periods, this rule is proposed to be amended to provide merely that annual reports shall be filed within the period specified in the appropriate report form.

Rule 13a-3. This rule as now in effect provides for the filing of a new registration statement under either the Securities Act or the Securities Exchange Act in lieu of an annual report on the appropriate annual report form. Registration statements under either Act do not contain all of the information required in the proposed revision of Form 10-K. Moreover, a registration statement may be a rather bulky document which is not appropriate for rapid and economical distribution under the microfiche system. Since most of the information pertinent to an annual report is contained in the prospectus, Rule 12b-23, referred to above, would permit the incorporation by reference in an annual report of any information contained in the prospectus. With respect to the use of registration statements under the 1934 Act in annual reports, additional registration under that Act would be effected on Form 8-A or 8-B which does not include the information required in an annual report. Accordingly, it is proposed that Rule 13a-3 be rescinded.

Rule 13a-4. This rule, which permits the incorporation by reference in an annual report of information contained in a 1933 Act prospectus, would be rescinded since provision for such incorporation by reference is made in the proposed revision of Rule 12b-23.

Rules 13a-11 and 13a-13. Rule 13a-11 provides for the filing of current reports on Form 8-K and Rule 13a-13 provides for the filing of semi-annual reports on Form 9-K. It is proposed to rescind Rule 13a-13 and to amend Rule 13a-11 to require the filing of reports on the new Form 10-Q. Such reports would be filed quarterly except that reports of important acquisitions or dispositions of assets would be made within 10 days after the occurrence of the event reported.

Rule 13a-15. This rule requires certain real estate companies to file quarterly reports on Form 7-K. It is proposed to amend the rule to require such companies to file reports on a new Form 7-Q similar to those required by the new Form 10-Q.

Section 15(d) Rules. The proposed amendments to the rules under Section 15(d) of the Act would conform those rules to the proposed amendments to the rules under Section 13(a) of the Act.

The text of the above-mentioned rules as proposed to be amended is attached to this release.

All interested persons are invited to submit their views and comments on the proposed amendments, in writing, to the Securities and Exchange Commission, Washington, D. C. 20549, on or before October 30, 1969. All such communications will be considered to be available for public inspection.

By the Commission.

Orval L. DuBois  
Secretary

I. Rule 12b-23 would be amended to read as follows:

Rule 12b-23. Incorporation by Reference.

(a) Information contained in any part of a registration statement or report, other than exhibits, may be incorporated by reference in answer or partial answer to any item of the same statement or report. Information contained in an exhibit may be so incorporated to the extent permitted by Rule 12b-24.

(b) Information contained in any of the following documents may be incorporated by reference in answer or partial answer to any item of a statement or report:

(1) A definitive proxy statement filed pursuant to Section 14(a) of the Act or a definitive information statement filed pursuant to Section 14(c) of the Act;

(2) A report to security holders; or

(3) A prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933.

(c) Any financial statement filed with the Commission pursuant to any Act administered by the Commission may be incorporated by reference in a statement or report if such financial statement substantially meets the requirements of the form on which the statement or report is filed.

(d) Copies of any information or financial statement incorporated by reference pursuant to paragraph (b) or (c) shall be submitted with the statement or report. The document containing the matter incorporated by reference shall be inserted in the statement or report immediately preceding the signature thereto.

(e) Matter incorporated by reference shall be clearly identified in the reference by page, paragraph, caption or otherwise and shall be deemed to be filed. An express statement that the specified matter is incorporated by reference shall be made at the particular place in the statement or report where the information is required. Matter shall not be incorporated by reference in any case where such incorporation would render the statement or report incomplete, unclear or confusing.

II. Rule 12b-25 would be amended to read as follows:

Rule 12b-25. Extension of Time for Furnishing Information.

Note: The disclosures required in reports filed with the Commission are essential to the preservation of free, fair and informed

securities markets. It is of critical importance that such reports be filed with the Commission prior to their respective due dates under the Commission's rules. Only the most compelling and unexpected circumstances justify a delay in the filing of a report and the dissemination to the public of the factual information called for therein.

(a) If any required information, document or report, other than an initial registration statement under Section 12(g) of the Act, cannot be furnished at the time it is required to be filed, the registrant shall prior to such time file with the Commission, as a separate document, an application (1) identifying the information, document, or report in question, (2) stating in detail the specific reasons why the filing thereof at the time required cannot be made, and (3) requesting an extension of time for filing the information, document or report to a specified date not more than 30 days after the date it would otherwise have to be filed.

(b) If the requested extension is necessitated by the inability of any person other than the registrant to furnish any required opinion, information, report or certification (1) the application shall be accompanied by a statement signed by such person stating the specific reasons why such person is unable to furnish the required opinion, information, report or certification within the required time; and (2) the application shall state whether the registrant has published a preliminary release of sales and earnings and mailed an annual report to shareholders containing financial statements certified by independent accountants relating to the registrant's latest fiscal year.

(c) The application shall be deemed granted unless the Commission within ten days after the receipt thereof shall enter an order denying the application or shall notify the registrant that the application does not meet the requirements of the rule.

(d) One additional extension of not more than 30 days may be applied for following the same procedure as for the initial application. An application for any further extension of time shall be deemed granted only if the Commission shall enter an order granting such application.

(e) If the application, or the extension of time granted, relates only to a portion of the required information, document, or report, the registrant shall file the remaining portion, and the portion filed shall prominently indicate the nature of the omitted portion.

III. The following new rule would be adopted:

Rule 12b-34. Basic Documents.

(a) For the purpose of Rule 24(b) of the Commission's Rules of Practice, the following documents have been classified as basic documents with respect to all issuers required to file reports pursuant to Section 13 or 15(d) of the Act, other than issuers registered under the Investment Company Act of 1940 or the Public Utility Holding Company Act of 1935:

- (1) Articles of incorporation, declarations of trust, articles of association or partnership, or any similar instrument which effects (either with or without filing with any governmental agency) the organization or creation of an incorporated or unincorporated person;
- (2) Bylaws or instruments corresponding thereto;
- (3) Specimen copies of securities registered pursuant to Section 12 of the Act;
- (4) Trust indentures, contracts or other documents defining or limiting the rights of the holders of any class of securities so registered;
- (5) Voting trust agreements;
- (6) Amendments to any of the foregoing; and
- (7) Any other documents classified as basic documents by the Commission pursuant to Rule 24(b) of the Rules of Practice.

(b) Every registration statement filed pursuant to Section 12 of the Act, and every report filed pursuant to Section 13 or 15(d) of the Act, after the effective date of this rule shall clearly identify the exhibits filed with such statement or report which are classified as basic documents pursuant to paragraph (a) of this rule.

(c) Every issuer which on the effective date of this rule is subject to the reporting requirements of Section 13 or 15(d) of the Act shall in its first annual report filed after such effective date pursuant to either of such sections identify each document previously filed with the Commission pursuant to the Act or the Securities Act of 1933 which is classified as a basic document and shall identify the registration statements and reports in which such documents are contained.

IV. Rule 13a-1 would be amended to read as follows:

Rule 13a-1. Requirement of Annual Reports.

Every issuer having securities registered pursuant to Section 12 of the Act shall file an annual report for each fiscal year after the last full fiscal year for which financial statements were filed in its registration statement. Registrants on Form 8-B shall file an annual report for each fiscal year beginning on or after the date as of which the succession occurred. Annual reports shall be filed within the period specified in the appropriate report form.

V. Rules 13a-3 and 13a-4 would be rescinded.

VI. Rule 13a-11 would be amended to read as follows:

Rule 13a-11. Reports on Form 10-Q.

(a) Except as provided in paragraphs (b) and (c), every registrant subject to Rule 13a-1 shall file reports on Form 10-Q within the time periods specified in General Instruction A to that Form.

(b) This rule shall not apply to foreign governments, foreign private issuers required to make reports on Form 6-K pursuant to Rule 13a-16, issuers of American Depositary Receipts for securities of any foreign issuer, investment companies required to file quarterly reports pursuant to Rule 13a-12, and real estate companies required to file reports pursuant to Rule 13a-15.

(c) Notwithstanding paragraph (a) of this rule, the summarized financial information required by Part II of Form 10-Q need not be filed by (1) any issuer not required to file annual reports on either Form 10-K, Form 12-K or Form U5S; (2) companies in the promotional or development stage to which paragraph (b) or (c) of Rule 5A-01 of Article 5A of Regulation S-X is applicable, and (3) life insurance companies;

(d) Public utilities and common carriers which submit financial reports to the Federal Power Commission, Federal Communications Commission, or Interstate Commerce Commission may file either the summarized financial information required by Part II of Form 10-Q or may, at their option, in lieu thereof, file duplicate copies of the report submitted by them to such other Commissions for the preceding fiscal quarter year or for each month of such quarter year, as the case may be, together with a copy of the quarterly report for such period (if any) sent to their shareholders.

(e) Notwithstanding the foregoing paragraphs of this rule, the summarized financial information required by Part II of Form 10-Q shall not be deemed to be "filed" for the purpose of Section 18 of the Act or otherwise subject to the liabilities of that Section, but shall be subject to all other provisions of the Act.

VII. Rule 13a-13 would be rescinded.

VIII. Rule 13a-15 would be amended to read as follows:

Rule 13a-15. Reports of Certain Real Estate Companies on Form 7-Q.

(a) Except as provided in paragraph (b), every issuer of a security registered pursuant to Section 12 of the Act (1) which is a real estate



investment trust, as defined in Section 856 of the Internal Revenue Code, or (2) a substantial portion of whose business is that of acquiring and holding for investment real estate or interests in real estate or interests in other issuers a substantial portion of whose business is that of acquiring and holding real estate or interests in real estate for investment and which as a matter of policy or practice makes cash distributions from any source other than current or retained earnings, shall file reports on Form 7-Q within the time periods specified in General Instruction A to that form.

(b) No report need be filed pursuant to this rule with respect to any foreign private issuer required to make reports on Form 6-K pursuant to Rule 15d-16, any investment company registered under the Investment Company Act of 1940, and the financial information required by Part II of Form 7-Q need not be filed by any partnership all of whose properties are under long-term net lease to other persons.

IX. Rule 15d-1 would be amended to read as follows:

Rule 15d-1. Requirement of Annual Reports.

Every issuer which is subject to Section 15(d) of the Act shall file an annual report for each fiscal year after the last full fiscal year for which certified financial statements were contained in its registration statement under the Securities Act of 1933 at the time such statement became effective. Annual reports shall be filed within the period specified in the appropriate report form.

X. Rules 15d-3 and 15d-4 would be rescinded.

XI. Rule 15d-11 would be amended to read as follows:

Rule 15d-11. Reports on Form 10-Q.

(a) Except as provided in paragraphs (b) and (c), every registrant subject to Rule 15d-1 shall file reports on Form 10-Q within the time periods specified in General Instruction A to that form.

(b) This rule shall not apply to foreign governments, foreign private issuers required to make reports on Form 6-K pursuant to Rule 15d-16, issuers of American Depositary Receipts for securities of any foreign issuer, investment companies required to file quarterly reports pursuant to Rule 15d-12, and real estate companies required to file reports pursuant to Rule 15d-15.

(c) Notwithstanding paragraph (a) of this rule, the summarized financial information required by Part II of Form 10-Q need not be filed by (1) any issuer not required to file annual reports on either Form 10-K, Form 12-K or Form U5S; (2) companies in the promotional or development stage to which paragraph (b) or (c) of Rule 5A-01 of Article 5A of Regulation S-X is applicable; and (3) life insurance companies;

(d) Public utilities and common carriers which submit financial reports to the Federal Power Commission, Federal Communications Commission, or Interstate Commerce Commission may file either the summarized financial information required by Part II of Form 10-Q or may, at their option, in lieu thereof, file duplicate copies of the reports submitted by them to such other Commissions for the preceding fiscal quarter year or for each month of such quarter year, as the case may be, together with a copy of the quarterly report for such period (if any) sent to their shareholders.

(e) Notwithstanding the foregoing paragraphs of this rule, the summarized financial information required by Part II of Form 10-Q shall not be deemed to be "filed" for the purpose of Section 18 of the Act or otherwise subject to the liabilities of that Section, but shall be subject to all other provisions of the Act.

XII. Rule 15d-13 would be rescinded.

XIII. Rule 15d-15 would be amended to read as follows:

Rule 15d-15. Reports of Certain Real Estate Companies on Form 7-Q.

(a) Except as provided in paragraph (b), every issuer which is subject to Section 15(d) of the Act and (1) which is a real estate investment trust, as defined in Section 856 of the Internal Revenue Code, or (2) a substantial portion of whose business is that of acquiring and holding for investment real estate or interests in real estate or interests in other issuers a substantial portion of whose business is that of acquiring and holding real estate or interests in real estate for investment and which as a matter of policy or practice makes cash distributions from any source other than current or retained earnings, shall file reports on Form 7-Q within the time periods specified in General Instruction A to that form.

(b) No report need be filed pursuant to this rule with respect to any foreign private issuer required to make reports on Form 6-K pursuant to Rule 15d-16, any investment company registered under the Investment Company Act of 1940, and the financial information required by Part II of Form 7-Q need not be filed by any partnership all of whose properties are under long-term net lease to other persons.



For RELEASE Monday, September 15, 1969

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

SECURITIES EXCHANGE ACT OF 1934  
Release No. 8681

NOTICE OF PROPOSED REVISION OF FORM 10

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposed revision of its Form 10 under the Securities Exchange Act of 1934. That form is a general form for the registration of securities of commercial and industrial companies pursuant to Section 12 of the Act. The proposed revision is a part of the program for the revision of the Commission's disclosure requirements recommended by the recent Disclosure Study Report.

To a large extent the revision consists of the amplification of the General Instructions and the instructions to the items of the form to indicate more precisely the information required to be given in the registration statement.

A new item has been added to the form calling for a summary of earnings for the past five years. This summary is similar to those required in registration statements under the Securities Act of 1933. Such a summary supplements the description of business and particularly the information with respect to different lines of business required by the recent amendment of the form.

The items relating to management, remuneration and transactions with insiders would be revised to bring them into accord with the corresponding requirements of the Commission's proxy rules. Thus the revised form would include requirements for the disclosure of indebtedness of insiders to the registrant or its subsidiaries and transactions between insiders and pension, retirement, savings or similar plans provided by the registrant or its parents or subsidiaries.

The instructions as to financial statements would be revised to require a statement of source and application of funds for each of the three fiscal years for which a profit and loss statement is required.

The instructions as to exhibits would be revised to provide that certain employee benefit plans meeting the requirements of Section 401 or Sections 422-424 of the Internal Revenue Code need not be filed as exhibits.

A copy of the form as proposed to be revised is attached to this release.

All interested persons are invited to submit their views and comments on the proposed revision, in writing, to the Securities and Exchange Commission, Washington, D. C. 20549, on or before October 30, 1969. All such communications will be considered available for public inspection.

By the Commission.

Orval L. DuBois  
Secretary

(PRELIMINARY DRAFT)

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.  
20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES  
PURSUANT TO SECTION 12(b) OR (g) OF THE  
SECURITIES EXCHANGE ACT OF 1934

GENERAL INSTRUCTIONS

A. Rule as to USE of Form 10.

Form 10 shall be used for registration pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934 of classes of securities of issuers for which no other form is prescribed.

B. Application of General Rules and Regulations.

(a) The General Rules and Regulations under the Act contain certain general requirements which are applicable to registration on any form. These general requirements should be carefully read and observed in the preparation and filing of registration statements on this form.

(b) Particular attention is directed to Regulation 12B which contains general requirements regarding matters such as the kind and size of paper to be used, the legibility of the registration statement, the information to be given whenever the title of securities is required to be stated, and the filing of the registration statement. The definitions contained in Rule 12b-2 should be especially noted.

C. Preparation of Registration Statement.

(a) This form is not to be used as a blank form to be filled in, but only as a guide in the preparation of the registration statement on paper meeting the requirements of Rule 12b-12. The registration statement shall contain the item numbers and captions, but the text of the items may be omitted. The answers to the items shall be prepared in the manner specified in Rule 12b-13.

(b) Unless otherwise stated, the information required shall be given as of a date reasonably close to the date of filing the registration statement.

(c) Attention is directed to Rule 12b-20 which states: "In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading."

D. Signature and Filing of Registration Statement.

Three complete copies of the registration statement, including financial statements, exhibits and all other papers and documents filed as a part thereof, and five additional copies which need not include exhibits, shall be filed with the Commission. At least one complete copy of the registration statement, including financial statements, exhibits and all other papers and documents filed as a part thereof, shall be filed with each exchange on which any class of securities is to be registered. At least one complete copy of the registration statement filed with the Commission and one such copy filed with each exchange shall be manually signed. Copies not manually signed shall bear typed or printed signatures.

E. Disclosure with Respect to Foreign Subsidiaries.

Information required by any item or other requirement of this form with respect to any foreign subsidiary may be omitted to the extent that the required disclosure would be detrimental to the registrant, provided a statement is made that such information has been omitted. In such case, a statement of the names of the subsidiaries omitted shall be separately furnished. The Commission may, in its discretion, call for justification that the required disclosure would be detrimental.

F. Incorporation by Reference.

Attention is directed to Rule 12b-23 which provides for the incorporation by reference of information contained in certain documents in answer or partial answer to any item of a registration statement.

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.  
20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES

Pursuant to Section 12(b) or (g) of  
The Securities Exchange Act of 1934

\_\_\_\_\_  
(Exact name of registrant as specified in its charter)

\_\_\_\_\_  
(State or other jurisdiction of  
incorporation or organization)

\_\_\_\_\_  
(I.R.S. Employer  
Identification No.)

\_\_\_\_\_  
(Address of principal executive offices)

\_\_\_\_\_  
(Zip Code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class  
to be so registered

Name of each exchange on which  
each class is to be registered

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Securities to be registered pursuant to Section 12(g) of the Act:

\_\_\_\_\_  
(Title of class)

\_\_\_\_\_  
(Title of class)

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1. Business.

(a) State the year in which the registrant was organized and its form of organization (such as "a corporation," an "unincorporated association" or other appropriate statement).

(b) Briefly describe the business done and intended to be done by the registrant and its subsidiaries and the general development of such business during the past five years, or such shorter period as the registrant may have been engaged in business.

Instructions. 1. The description shall not relate to the powers and objects specified in the charter, but to the actual business done and intended to be done. Include the business of subsidiaries of the registrant only insofar as is necessary to understand the character and development of the business conducted by the total enterprise.

2. In describing developments, information shall be given as to matters such as the following: The nature and results of any bankruptcy, receivership or similar proceedings with respect to the registrant or any of its significant subsidiaries; the nature and results of any other materially important reorganization, readjustment or succession of the registrant or any of its significant subsidiaries; the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business; and materially important changes in the types of products produced or services rendered by the registrant and its subsidiaries; and any materially important changes in the mode of conducting the business, such as fundamental changes in the methods of distribution.

3. The business of a predecessor or predecessors shall be deemed to be the business of the registrant for the purpose of this item.

4. Appropriate disclosure shall be made with respect to any material portion of the business which may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the government.

5. To the extent significant for an understanding of such business, briefly describe the following:



(A) The dollar amount of backlog of firm orders as of a recent date, and as of a comparable date in the preceding fiscal year, together with an indication of the proportion thereof not reasonably expected to be filled within the current fiscal year, and any seasonal or other significant aspects of the backlog;

(B) The sources and availability of raw material essential to the business;

(C) The importance and effect of all material patents, licenses, franchises and concessions held;

(D) Any material research activities relating to the development of new products or services or the importance of existing products or services. If research activities are described, estimate the dollar amount spent during each of the last two fiscal years on such research which was company-sponsored and on that which was customer-sponsored and indicate the approximate number of professional employees engaged full time in each such category of activity during each such fiscal year; and

(E) The number of persons employed by the enterprise.

(c)(1) Information as to lines of business. If the registrant and its subsidiaries are engaged in more than one line of business, state, for each of the registrant's last five fiscal years, or for each fiscal year ending after December 31, 1966, or for each fiscal year the registrant has been engaged in business, whichever period is less, the approximate amount or percentage of (i) total sales and revenues, and (ii) income (or loss) before income taxes and extraordinary items, attributable to each line of business which during either of the last two fiscal years accounted for--

(A) 10 percent or more of the total of sales and revenues,

(B) 10 percent or more of income before income taxes and extraordinary items computed without deduction of loss resulting from operations of any line of business, or

(C) a loss which equalled or exceeded 10 percent of the amount of income specified in (B) above;

provided, that if total sales and revenues did not exceed \$50,000,000 during either of the last two fiscal years, the percentages specified in (A), (B) and (C) above shall be 15 percent, instead of 10 percent.

If it is impracticable to state the contribution to income (or loss) before income taxes and extraordinary items for any line of business, state the contribution thereof to the results of operations most closely approaching

such income, together with a brief explanation of the reasons why it is not practicable to state the contribution to such income or loss.

Instructions. 1. If the number of lines of business for which information is required exceeds ten, the registrant may, at its option, furnish the required information only for the ten lines of business deemed most important to an understanding of the business. In such event, a statement to that effect shall be set forth.

2. In grouping products or services as lines of business, appropriate consideration shall be given to all relevant factors, including rates of profitability of operations, degrees of risk and opportunity for growth. The basis for grouping such products or services and any material changes between periods in such groupings shall be briefly described.

3. Where material amounts of products or services are transferred from one line of business to another, the receiving and transferring lines may be considered a single line of business for the purpose of reporting the operating results thereof.

4. If the method of pricing intra-company transfers of products or services or the method of allocation of common or corporate costs materially affects the reported contribution to income of a line of business, such methods and any material changes between periods in such methods and the effect thereof shall be described briefly.

5. Information regarding sales or revenues or income (or loss) from different classes of products or services in operations regulated by Federal, State or municipal authorities may be limited to those classes of products or services required by any uniform system of accounts prescribed by such authorities.

(2) Information as to classes of products or services. State for each fiscal year specified in (1) above the amount or percentage of total sales and revenues contributed by each class of similar products or services which contributed 10 percent or more to total sales and revenues in either of the last two fiscal years, or 15 percent or more of total sales and revenues if total sales and revenues did not exceed \$50,000,000 during either of the last two fiscal years.

Instructions. 1. Paragraph (2) calls for information with respect to classes of products or services regardless of whether the registrant is engaged in more than one line of business as referred to in paragraph (1) above. However, this information may be combined, where appropriate, with the response to paragraph (1).

2. Instruction 5 to paragraph (1) above shall also apply to paragraph (2).

(c) If a material part of the business of the registrant and its subsidiaries is dependent upon a single customer, or a very few customers, the loss of any one of which would have a materially adverse effect on the registrant, the name of the customer or customers and other material facts with respect to their relationship, if any, to the registrant and the importance of the business to the registrant shall be stated.

(d) If the registrant and its subsidiaries engage in material operations outside the United States, or if a material portion of sales or revenues are derived from customers outside the United States, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business.

(e) Indicate briefly, to the extent material, the general competitive conditions in the industry in which the registrant and its subsidiaries are engaged or intend to engage, and the position of the enterprise in the industry. If several products or services are involved, separate consideration shall be given to the principal products or services or classes of products or services.

(f) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done or intended to be done.

Item 2. Summary of Earnings.

Furnish in comparative columnar form a summary of earnings for the registrant, or for the registrant and its subsidiaries consolidated, or both, as appropriate, for each of the last five fiscal years of the registrant. Include comparable data for any additional fiscal years necessary to keep the summary from being misleading. Where necessary, include information or explanation of material significance to investors in appraising the results shown, or refer to such information or explanation set forth elsewhere in the registration statement. An analysis of earned surplus shall be furnished for each fiscal year covered by the summary, as a continuation thereof or elsewhere in the registration statement.

Instructions. 1. Subject to appropriate variation to conform to the nature of the business the following items shall be included: net sales or operating revenues; cost of goods sold or operating expenses (or gross profit); interest charges; income taxes; net income before extraordinary items; extraordinary items; and net income. The summary shall reflect the retroactive adjustment of any material items affecting the comparability of the results.

2. If a period or periods reported on include operations of a business prior to the date of acquisition or for other causes differ from reports previously issued for any period, the summary shall be reconciled as to sales or revenues and net income in the summary or by footnote with the amounts previously reported.

3. (a) If common stock is to be registered, the summary shall be prepared to show earnings applicable to common stock. Per share earnings applicable to common stock (including common stock equivalents), per share earnings on a fully diluted basis and dividends declared for each period of the summary shall also be included, unless inappropriate, and the basis of computation, including the number of shares used shall be stated.

(b) The registrant shall file as an exhibit a statement setting forth in reasonable detail the computations of per share earnings.

4. (a) If debt securities are to be registered, the registrant may, at its option, show in tabular form for each fiscal year the ratio of earnings to fixed charges.

(b) Earnings shall be computed after all operating and income deductions except fixed charges and taxes based on income or profits and after eliminating undistributed income of unconsolidated persons. In the case of utilities, interest credits charged to construction shall be added to gross income and not deducted from interest.

(c) The term "fixed charges" shall mean (i) interest and amortization of debt discount and expense and premium on all indebtedness; (ii) one-third of all rentals reported in the schedule prepared in accordance with Rule 12-16 of Regulation S-X, or such portion as can be demonstrated to be representative of the interest factor in the particular case; and (iii) in case consolidated figures are used, preferred stock dividend requirements of consolidated subsidiaries, excluding in all cases items eliminated in consolidation.

(d) Any registrant electing to show the ratio of earnings to fixed charges, in accordance with this instruction, shall file as an exhibit a statement setting forth in reasonable detail the computations of the ratios shown.

Item 3. Properties.

State briefly the location and general character of the principal plants, mines and other materially important physical properties of the registrant and its subsidiaries, whether held in fee or leased, and if leased, the expiration dates of material leases.

Instructions. 1. What is required is information essential to an investor's appraisal of the securities to be registered. Such information should be furnished as will reasonably inform investors as to the suitability, adequacy, productive capacity and extent of utilization of the facilities used in the enterprise. Detailed descriptions of the physical characteristics of individual properties or legal descriptions by metes and bounds are not required and should not be given.

2. (a) Where mining is of material importance, show for each important mine or, if appropriate, for each group of mines in a mining district, the total tonnage of ore produced during each of the last three fiscal years and the estimated ore reserves (excluding "possible ore") as of a recent date.

(b) Where material to evaluation of mining properties, furnish for each mine or group of mines for each of the last three fiscal years, preferably in tabular form, information showing: (1) the average grade of ore produced; (2) the average direct operating cost per ton of ore produced; (3) the aggregate of all additional costs per ton of ore produced, to the extent practicable; and (4) the average dollar amount realized per ton of ore produced.

(c) Where mining is of material importance, state whether, between the beginning of the last three fiscal years and the present, there have been material changes in the principal ore bodies or in the physical mining conditions at each such mine or group of mines and whether any such changes are anticipated. If so, describe such changes and state their significance.

(d) In the case of coal mining, the term "ore" as used in this instruction refers to coal; the term "ore body" refers to the coal bed or coal seam; and information as to the average grade of ore need not be furnished.

3. Where oil and gas operations are of material importance, show: (1) net oil and gas production, preferably in tabular form, for oil in barrels and gas in MCF for each of the last three fiscal years; (2) the gross and net productive wells, and the gross and net producing acres as of a recent date; (3) the proven developed and proven undeveloped estimated recoverable reserves; (4) undeveloped acreage, including gross acres and net acres, either located as to states or geological areas,

and whether the acreage is in blocks or in checker-board together with the minimum and maximum remaining terms of leases on such acreage; (5) present activities, such as, the number of wells in the process of drilling, waterfloods in the process of installation, and other related operations of material importance.

4. Where the report of an engineer or other expert is referred to in the registration statement, a copy of the full report shall be furnished for the information of the staff but shall not be filed as a part of the registration statement.

Item 4. Parents and Subsidiaries.

(a) Furnish a list or diagram of all parents and subsidiaries of the registrant and as to each person named indicate the percentage of voting securities owned, or other basis of control, by its immediate parent, if any.

Instructions. 1. The list or diagram shall include the registrant and shall be so prepared as to show clearly the relationship of each person named to the registrant and to the other persons named. If any person is controlled by means of the direct ownership of its securities by two or more persons, so indicate by appropriate cross reference.

2. Designate by appropriate symbols (a) subsidiaries for which separate financial statements are filed; (b) subsidiaries included in consolidated financial statements; (c) subsidiaries included in group financial statements filed for unconsolidated subsidiaries; and (d) other subsidiaries, indicating briefly why financial statements of such subsidiaries are not filed.

3. Include the name of the State or other jurisdiction in which each subsidiary was incorporated or organized.

4. The names of particular subsidiaries may be omitted if the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

5. The names of consolidated totally-held multiple subsidiaries carrying on the same line of business, such as chain stores or small loan companies, may be omitted, provided that the name of the immediate parent, the line of business, the number of omitted subsidiaries operating in the United States and the number operating in foreign countries are given. This instruction shall not apply, however, to banks, insurance companies, savings and loan associations or to any subsidiary subject to regulation by another Federal agency.

(b) Describe any contractual arrangements, including any pledge of securities of the registrant or any of its parents the operation of the terms of which may at a subsequent date result in a change of control of the registrant.

Instruction. This paragraph does not require a description of ordinary default provisions contained in the charter, trust indentures or other governing instruments relating to securities of the registrant.

Item 5. Principal Holders of Securities.

(a) Furnish the following information as of a specified date within 90 days prior to the date of filing, in substantially the tabular form indicated, as to the voting securities of the registrant and securities convertible into such voting securities, owned of record or beneficially by each person who owns of record, or is known by the registrant to own beneficially, more than 10 percent of any class of such securities. Show in Column (3) whether the securities are owned both of record and beneficially, of record only, or beneficially only, and show in Columns (4) and (5) the respective amounts and percentages owned in each such manner:

(1)	(2)	(3)	(4)	(5)
<u>Name and Address</u>	<u>Title of class</u>	<u>Type of Ownership</u>	<u>Amount owned</u>	<u>Percent of class</u>

(b) Furnish the following information as of a specified date within 90 days prior to the date of filing, in substantially the tabular form indicated, as to each class of equity securities of the registrant or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned directly or indirectly by all directors and officers of the registrant, as a group, without naming them.

(1)	(2)	(3)
<u>Title of class</u>	<u>Amount beneficially owned</u>	<u>Percent of class</u>

Instructions. 1. The percentages are to be calculated on the basis of the amount of outstanding securities, excluding securities held by or for the account of the issuer. In any case where the amount owned by directors and officers as a group is less than 1 percent of the class, the percent of the class owned by them may be omitted.

2. If, to the knowledge of the registrant, more than 10 percent of any class of voting securities of the registrant are held or to be held subject to any voting trust or other similar agreement, state the title of such securities, the amount held or to be held and the duration of the agreement. Give the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

Item 6. Directors and Executive Officers.

(a) List the names of all directors and the names and ages of all executive officers of the registrant. State the nature of any family relationship between any director or executive officer and any other director or executive officer. Give a brief account of the business experience during the past ten years of each person named, including his principal occupations or employments during that period, and his present position with the registrant.

Instructions. 1. The term "executive officer" means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration, or finance) and any other officer who performs similar policy-making functions for the registrant.

2. Occurrence of an event referred to in (a), (b) or (c) below during the past 10 years may be material to evaluation of the ability and integrity of registrant's management. If so, appropriate disclosure should be made. If such an event has occurred but disclosure thereof is omitted on the ground that it is not material, registrant should furnish, as supplemental information and not as a part of the registration statement (1) of description of the omitted information and (2) a statement of the reasons for its omission:

(a) A petition under the Bankruptcy Act or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for business or property of, any person named, or any partnership in which he was a general partner at or within 2 years before the time of such filing, or any corporation or business association of which he was an executive officer at or within 2 years before the time of such filing;

(b) Any person named was convicted in a criminal proceeding (excluding traffic violations and other minor offenses) or is a defendant in a criminal proceeding (excluding traffic violations and other minor offenses) which is presently pending; or

(c) Any person named was the subject of any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, underwriter, broker, or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, or was the subject of any order of a federal or state authority barring or suspending for more than sixty days the right of such person to be engaged in any such activity which order remains in effect.



(b) As to each director, state his term of office, the period or periods during which he has served as such, and briefly describe any arrangement or understanding between such person and any other person or persons pursuant to which such director, has been selected.

Instruction. Do not include arrangements or understandings between directors or directors and officers of the registrant acting solely in that capacity.

Item 7. Remuneration of Directors and Officers.

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the registrant and its subsidiaries during the registrant's last fiscal year to the following persons for services in all capacities:

(1) Each director of the registrant whose aggregate direct remuneration exceeded \$40,000, and each of the three highest paid officers of the registrant whose aggregate direct remuneration exceeded that amount, naming each such director and officer.

(2) All directors and officers of the registrant as a group, stating the number of persons in the group without naming them.

(A)	(B)	(C)
Name of individual or number of persons in <u>group</u>	Capacities in which remuneration was <u>received</u>	Aggregate direct <u>remuneration</u>

Instructions. 1. Except as provided in Instruction 2, paragraph (a)(1) of this item applies to any person who was a director or officer of the registrant at any time during the period specified. However, information need not be given for any portion of the period during which such person was not a director or officer of the registrant.

2. In the first registration statement filed on this form for the registration of a class of securities of an issuer pursuant to Section 12 of the Act, paragraph (a)(1) of this item does not apply to any person who is not a director or officer of the registrant at the time the statement is filed, provided the same information is not otherwise required to be disclosed in any other material filed with the Commission.

3. The information is to be given on an accrual basis if practicable. The tables required by this paragraph and paragraph (b) may be combined if the registrant so desires.

4. Do not include remuneration paid to a partnership in which any director or officer was a partner, but see Item 9.

5. If the registrant has not completed a full fiscal year since its organization or if it acquired or is to acquire the majority of its assets from a predecessor within the current fiscal year, the information shall be given for the current fiscal year, estimating future payments, if necessary. To the extent that such remuneration is to be computed upon the basis of a percentage of profits, it will suffice to state such percentage without estimating the amount of such profits to be paid.

6. If any part of the remuneration shown in response to this item was paid pursuant to a material bonus or profit-sharing plan, briefly describe the plan and the basis upon which directors or officers participate therein. See Instruction 1 to paragraph (b) for the meaning of the term "plan."

(b) Furnish the following information in substantially the tabular form indicated as to all annuity, pension or retirement benefits proposed to be paid to the following persons in the event of retirement at normal retirement date pursuant to any existing plan provided or contributed to by the registrant or any of its subsidiaries:

(1) Each director or officer named in answer to paragraph (a) (1), naming each such person.

(2) All directors and officers of the registrant who are eligible for such benefits, as a group, stating the number of persons in the group without naming them.

(A)	(B)	(C)
<u>Name of individual or number of persons in group</u>	<u>Amount set aside or accrued during registrant's last fiscal year</u>	<u>Estimated annual benefits upon retirement</u>

Instructions. 1. The term "plan" in this paragraph and in paragraph (c) includes all plans, contracts, authorizations or arrangements, whether or not set forth in any formal document.

2. Column (B) need not be answered with respect to payments computed on an actuarial basis under any plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service. In such case, Columns (A) and (C) need not be answered with respect to directors and officers as a group.

3. The information called for by Column (C) may be given in the form of a table showing the annual benefits payable upon retirement to persons in specified salary classifications.

4. In the case of any plan (other than those specified in Instruction 2) where the amount set aside each year depends upon the amount of earnings of the registrant or its subsidiaries for such year or a prior year, or where it is otherwise impracticable to state the estimated benefits upon retirement, there shall be set forth, in lieu of the information called for by Column (C), the aggregate amount set aside or accrued to date, unless it is impracticable to do so, in which case there shall be stated the method of computing such benefits.

(c) Describe briefly all remuneration payments (other than accrued payments reported under paragraph (a) or (b) of this item) proposed to be made in the future, directly or indirectly, by the registrant or any of its subsidiaries pursuant to any existing plan or arrangement to (i) each director or officer named in answer to paragraph (a)(1), naming each such person, and (ii) all directors and officers of the registrant as a group, without naming them.

Instruction. Information need not be included as to payments to be made for, or benefits to be received from, group life or accident insurance, group hospitalization or similar group payments or benefits. If it is impracticable to state the amount of remuneration payments proposed to be made, the aggregate amount set aside or accrued to date in respect to such payments shall be stated, together with an explanation of the basis for future payments.

Item 8. Management Options to Purchase Securities.

Furnish the following information as to all options to purchase securities from the registrant or any of its subsidiaries held by any of the following persons: (i) each director or officer named in answer to paragraph (a)(1) of Item 7, naming each such person; and (ii) all directors and officers of the registrant as a group, without naming them.

- (a) the title and amount of securities called for;
- (b) the option prices, expiration dates, and other material provisions;
- (c) any consideration received for the granting thereof;
- (d) the market value of the security on the date of grant.

Instructions. 1. The term "options" as used in this term includes all options, warrants or rights, other than those issued to security holders as such on a pro rata basis.

2. The extension, regranting or material amendment of options shall be deemed the granting of options within the meaning of this item.

3. Where the total market value of securities called for by all outstanding options does not exceed \$10,000 for any person required to be named, or \$40,000 for all directors and officers as a group, or for all option holders as a group, this term need not be answered with respect to such person or group.

4. In case a number of options are outstanding having different prices and expiration dates, the options may be grouped by prices and dates. If this produces more than five separate groups then there may be shown only the range of the expiration dates and prices.

Item 9. Interest of Management and Others in Certain Transactions.

(a) Described briefly any transactions during the last three years or any presently proposed transactions, to which the registrant or any of its subsidiaries was or is to be a party, in which any of the following persons has or is to have a direct or indirect material interest, naming such person and stating his relationship to the registrant, the nature of his interest in the transaction and, where practicable, the amount of such interest:

(1) Any director or officer of the registrant;

(2) Any security holder named in answer to Item 5(a);

(3) Any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same home as such person or who is a director or officer of any parent or subsidiary of the registrant.

Instructions. 1. This Item 9(a) applies to any person who held any of the positions or relationships specified at any time during the period specified. However, information need not be given for any portion of the period during which such person did not hold any such position or relationship.

2. No information need be given in response to this Item 9(a) as to any remuneration or other transaction reported in response to Items 7 or 8, or as to any transaction with respect to which information may be omitted pursuant to Instruction 2 to Item 7(b), the instruction to Item 7(c), or Instruction 2 or 3 to Item 9(b).

3. No information need be given in answer to this Item 9(a) as to any transaction where--

(a) the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

(b) the transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;

(c) the amount involved in the transaction or a series of similar transactions, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed \$30,000; or

(d) the interest of the specified person arises solely from the ownership of securities of the registrant and the specified person receives no extra or special benefit not shared on a pro rata basis by all holders of securities of the class.

4. It should be noted that this item calls for disclosure of indirect, as well as direct, material interests in transactions. A person who has a position or relationship with a firm, corporation, or other entity, which engages in a transaction with the registrant or its subsidiaries may have an indirect interest in such transaction by reason of such position or relationship. However, a person shall be deemed not to have a material indirect interest in a transaction within the meaning of this Item 9(a) where--

(a) the interest arises only (i) from such person's position as a director of another corporation or organization (other than a partnership) which is a party to the transaction, or (ii) from the direct or indirect ownership by such person and all other persons specified in subparagraphs (1) through (3) above, in the aggregate, of less than a 10 percent equity interest in another person (other than a partnership) which is a party to the transaction, or (iii) from both such position and ownership;

(b) the interest arises only from such person's position as a limited partner in a partnership in which he and all other persons specified in (1) through (3) above had an interest of less than 10 percent; or

(c) the interest of such person arises solely from the holding of an equity interest (including a limited partnership interest, but excluding a general partnership interest) or a creditor interest in another person which is a party to the transaction with the issuer or any of its subsidiaries and the transaction is not material to such other person.

5. The amount of the interest of any specified person shall be computed without regard to the amount of the profit or loss involved in the transaction. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

6. In describing any transaction involving the purchase or sale of **assets** by or to the registrant or any of its subsidiaries, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the transaction, the cost thereof to the seller.

7. The foregoing instructions specify certain transactions and interests as to which information may be omitted in answering this item. There may be situations where, although the foregoing instructions do not expressly authorize nondisclosure, the interest of a specified person in the particular transaction or series of transactions is not a material interest. In that case, information regarding such interest and transaction is not required to be disclosed in response to this item.

(b) State as to each of the following persons who was indebted to the registrant or its subsidiaries at any time during the last three years (i) the largest aggregate amount of indebtedness outstanding at any time during such period, (ii) the nature of the indebtedness and of the transaction in which it was incurred, (iii) the amount thereof outstanding as of the latest practicable date, and (iv) the rate of interest paid or charged thereon:

- (1) Each director or officer of the registrant; and
- (2) Each associate of any such director or officer

Instructions. 1. Include the name of each person whose indebtedness is described and the nature of the relationship by reason of which the information is required to be given.

2. This paragraph does not apply to any person whose aggregate indebtedness did not exceed \$10,000 or one percent of registrant's total assets, whichever is less, at any time during the period specified. Exclude in the determination of the amount of indebtedness all amounts due from the particular person for purchases subject to usual trade terms, for ordinary travel and expense advances and for other transactions in the ordinary course of business.

3. Notwithstanding Instruction 2, if the registrant or any of its subsidiaries is engaged primarily in the business of making loans and loans to any of the specified persons in excess of \$10,000 or one percent of its total assets, whichever is less, were outstanding at any time during the period specified, such loans shall be disclosed. However, if the lender is a bank, such disclosure may consist of a statement, if such is the case, that the loans to such persons (i) were made in the ordinary course of business, (ii) were made on substantially

the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (iii) did not involve more than normal risk of collectibility or present other unfavorable features.

(c) Describe briefly any transactions during the last three years or any presently proposed transactions, to which any pension, retirement, savings or similar plan provided by the registrant, or any of its parents or subsidiaries, was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest, naming such person and stating his relationship to the registrant, the nature of his interest in the transaction and, where practicable, the amount of such interest:

- (1) Any director or officer of the registrant;
- (2) Any security holder named in answer to Item 5(a);
- (3) Any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same home as such person or who is a director or officer of any parent or subsidiary of the registrant; or
- (4) The registrant or any of its subsidiaries.

Instructions. 1. Instructions 2, 3, 4 and 5 to Item 9(a) shall apply to this Item 9(c).

2. Without limiting the general meaning of the term "transaction" there shall be included in answer to this item any remuneration received or any loans received or outstanding during the period, or proposed to be received.

3. No information need be given in answer to paragraph (c) with respect to--

(a) payments to the plan, or payments to beneficiaries, pursuant to the terms of the plan;

(b) payment of remuneration for services not in excess of 5 percent of the aggregate remuneration received by the specified person during the registrants' last fiscal year from the registrant and its subsidiaries; or

(c) any interest of the registrant or any of its subsidiaries which arises solely from its general interest in the success of the plan.

(d) If the registrant was organized within the past five years, furnish the following information:

(1) State the names of the promoters, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter directly or indirectly from the registrant, and the nature and amount of any assets, services or other consideration therefor received or to be received by the registrant.

(2) As to any assets acquired or to be acquired by registrant from a promoter, state the amount at which acquired or to be acquired and the principle followed or to be followed in determining the amount. Identify the persons making the determination and state their relationship, if any, with the registrant or any promoter. If the assets were acquired by the promoter within two years prior to their transfer to the registrant, state the cost thereof to the promoter.

Item 10. Pending Legal Proceedings.

Briefly describe any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the registrant or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings were instituted, the date instituted and the principal parties thereto.

Instructions. 1. If the business ordinarily results in actions for negligence or other claims, no such action or claim need be described unless it departs from the normal kind of such actions.

2. No information need be given with respect to any proceeding which involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 15 percent of the current assets of the registrant and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

3. Notwithstanding Instruction 1 and 2, any material bankruptcy, receivership, or similar proceeding with respect to the registrant or any of its significant subsidiaries shall be described. Any material proceedings to which any director, officer or affiliate of the registrant, any security holder named in answer to Item 5(a), or any associate of any such director, officer or security holder, is a party, or has a material interest, adverse to the registrant or any its subsidiaries shall also be described.



Item 11. Number of Equity Security Holders.

State in the tabular form indicated below, the approximate number of holders of record of each class of equity securities of the registrant as of the end of the last fiscal year.

(1)

(2)

Title of Class

Number of record holders

Instructions. 1. Attention is directed to the definitions of the term "equity security" in Section 3(a)(11) of the Act and Rule 3a11-1 thereunder, and the definition of the term "held of record" in Rule 12g5-1.

2. Information need not be given with respect to the number of holders of "restricted stock options," "qualified stock options," or options granted pursuant to a plan qualified as an "employee stock purchase plan," as those terms are defined in Sections 422 through 424 of the Internal Revenue Code of 1954 as amended.

Item 12. Nature of Trading Market.

As to each class of securities to be registered pursuant to Section 12(g) of the Act, state briefly the nature of the trading market, if any, in such securities, including the names of the principal market makers, and the high and low bid prices for each quarterly period within the past three years.

Item 13. Recent Sales of Unregistered Securities.

Furnish the following information as to all securities of the registrant sold by the registrant within the past three years, or presently purposed to be sold, which were not, or are not to be, registered under the Securities Act of 1933. Include sales of required securities as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities:

(a) Give the date of sale and the title and amount of securities sold.

(b) Give the names of the principal underwriters, if any. As to any securities sold privately, name the persons or identify the class of persons to whom the securities were sold.

(c) As to securities sold for cash, state the aggregate offering price and the aggregate underwriting discounts or commissions. As to any securities sold otherwise than for cash, state the nature of the transaction and the nature and aggregate amount of consideration received by the registrant.

(d) Give a reasonably itemized statement of the purposes, so far as determinable, for which the net proceeds have been or are to be used and the approximate amount to be used for each purpose.

(e) Indicate the section of the Act or the Rule of the Commission under which exemption from registration was claimed and state briefly the facts relied upon to make the exemption available.

Instructions. 1. Information need not be set forth as to notes, drafts, bills of exchange or bankers' acceptances which mature not later than one year from the date of issuance.

2. If the sales were made in a series of transactions, the information may be given by such totals and periods as will reasonably convey the information required.

Item 14. Capital Stock to be Registered.

If capital stock is to be registered, state the title of the class and furnish the following information:

(a) Outline briefly (i) dividend rights; (ii) voting rights; (iii) liquidation rights; (iv) pre-emptive rights; (v) conversion rights; (vi) redemption provisions; (vii) sinking fund provisions; and (viii) liability to further calls or to assessment by the registrant.

(b) If the rights of holders of such stock may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class, so state and explain briefly.

(c) Outline briefly any restriction on the repurchase or redemption of shares by the registrant while there is any arrearage in the payment of dividends or sinking fund installments. If there is no such restriction, so state.

Instructions. 1. This item requires only a brief summary of the provisions which are pertinent from an investment standpoint. A complete legal description of the provisions referred to is not required and should not be given. Do not set forth the provisions of the governing instruments verbatim; only a succinct resume is required.

2. If the rights evidenced by the securities to be registered are materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other document, include such information regarding such limitation or qualification as will enable investors to understand the rights evidenced by the securities to be registered.

Item 15. Debt Securities to be Registered.

If debt securities are to be registered, outline briefly such of the following as are relevant:

(a) Provisions with respect to interest, conversion, maturity, redemption, amortization, sinking fund or retirement.

(b) Provisions with respect to the kind and priority of any lien, securing the issue, together with a brief identification of the principal properties subject to such lien.

(c) Provisions restricting the declaration of dividends or requiring the maintenance of any ratio of assets, the creation or maintenance of reserves or the maintenance of properties.

(d) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, the release or substitution of assets securing the issue, the modification of the terms of the security, and similar provisions.

(e) The name of the trustee and the nature of any material relationship with the registrant or any of its affiliates; the percentage of securities of the class necessary to require the trustee to take action, and what indemnification the trustee may require before proceeding to enforce the lien.

Instructions. 1. The instructions to Item 14 shall also apply to this item.

2. Provisions permitting the release of assets upon the deposit of equivalent funds or the pledge of equivalent property, the release of property no longer required in the business, obsolete property or property taken by eminent domain, the application of insurance moneys, and similar provisions, need not be described in answer to paragraph (d).

Item 16. Other Securities to be Registered.

If securities other than capital stock or long-term debt are to be registered, outline briefly the rights evidenced thereby. If subscription warrants or rights are to be registered, state the title and amount of securities called for, the period during which and the price at which the warrants or rights are exercisable.

Instruction. The instructions to paragraph (a) shall also apply to this paragraph.

Item 17. Indemnification of Directors and Officers.

State the general effect of any charter provisions, by law, contract, arrangement or statute under which any director or officer of the registrant is insured or indemnified in any manner against any liability which he may incur in his capacity as such.

Item 18. Financial Statements and Exhibits.

(a) List separately all financial statements filed as part of the registration statement.

(b) List all exhibits filed as part of the registration statement, including those incorporated by reference.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

\_\_\_\_\_  
(Registrant)

Date \_\_\_\_\_

By \_\_\_\_\_  
(Signature)\*

\*Print the name and title of the signing officer under his signature.

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

The following instructions specify the balance sheets, profit and loss statements and source and application of funds statements required to be filed as a part of the registration statement. Regulation S-X governs the certification, form and content thereof, including the basis of consolidation, and prescribes the statements of surplus and schedules to be filed in support thereof. Attention is directed to Rule 12b-23(b) and 12b-36.

If either the profit and loss or earned surplus statements required are included in their entirety in the summary of earnings required by Item 2, the statements so included need not be included elsewhere in the registration statement.

A. STATEMENTS OF THE REGISTRANT

1. Balance Sheets of the Registrant.

(a) The registrant shall file a certified balance sheet as of the close of its latest fiscal year unless such fiscal year has ended within 90 days prior to the date of filing the registration statement, in which case the balance sheet may be as of the close of the preceding fiscal year.

(b) If the latest fiscal year of the registrant has ended within 90 days prior to the date of filing the registration statement and the balance sheet required by paragraph (a) is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the registration statement, within 90 days after the date of the latest fiscal year, a certified balance sheet of the registrant as of the end of the latest fiscal year.

2. Profit and Loss and Source and Application of Funds Statements of the Registrant.

(a) The registrant shall file certified profit and loss and source and application of Funds statements for each of the three fiscal years preceding the date of the balance sheet required by Instruction 1(a).

(b) There shall be filed with each balance sheet filed pursuant to Instruction 1(b) certified profit and loss and source and application of funds statements of the registrant for the fiscal year immediately preceding the date of the balance sheet.

3. Omission of Registrant's Statements in Certain Cases.

Notwithstanding Instructions 1 and 2, the individual financial statements of the registrant may be omitted if (1) consolidated statements of the registrant and one or more of its subsidiaries are filed, and (2) the conditions specified in either of the following paragraphs are met.

(a) The registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements filed are totally-held subsidiaries; or

(b) The registrant's total assets, exclusive of investments in and advances to the consolidated subsidiaries, constitute 85 percent or more of the total assets shown by the consolidated balance sheets filed and the registrant's total gross revenues for the period for which its profit and loss statements would be filed, exclusive of interest and dividends received from the consolidated subsidiaries, constitute 85 percent or more of the total gross revenue shown by the consolidated profit and loss statements filed.

B. CONSOLIDATED STATEMENTS

4. Consolidated Balance Sheets.

(a) There shall be filed a certified consolidated balance sheet of the registrant and its subsidiaries as of the close of the latest fiscal year of the registrant, unless such fiscal year has ended within 90 days prior to the date of filing the registration statement, in which case this balance sheet may be as of the close of the preceding fiscal year.

(b) If the latest fiscal year of the registrant has ended within 90 days prior to the date of filing the registration statement, and the balance sheet required by paragraph (a) is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the registration statement, within 90 days after the close of registrant's fiscal year, a certified consolidated balance sheet of the registrant and its subsidiaries as of the end of the latest fiscal year.

5. Consolidated Profit and Loss and Source and Application of Funds Statements.

(a) There shall be filed certified consolidated profit and loss and source and application of funds statements of the registrant and its subsidiaries for each of the three fiscal years preceding the date of the consolidated balance sheet required by Instruction 4(a).

(b) There shall be filed with each balance sheet filed pursuant to Instruction 4(b), certified consolidated profit and loss and source of application of funds statements of the registrant and its subsidiaries for the fiscal year immediately preceding the date of the balance sheet.

C. UNCONSOLIDATED SUBSIDIARIES AND OTHER PERSONS

6. Unconsolidated Subsidiaries.

(a) Subject to Rule 4-03 of Regulation S-X regarding group statements of unconsolidated subsidiaries, there shall be filed for each majority-owned subsidiary of the registrant not consolidated the financial statements which would be required if the subsidiary were itself a registrant. Insofar as practicable, these financial statements shall be as of the same dates or for the same periods as those of the registrant.

(b) If the fiscal year of any unconsolidated subsidiary ends within 90 days before the date of filing the registration statement, or ends after the date of filing, the financial statements of the subsidiary may be filed as an amendment to the registration statement within 90 days after the end of the subsidiary's fiscal year.

7. Fifty-Percent Owned Persons and Other Persons.

If the registrant owns directly or indirectly approximately 50 percent of the voting securities of any person and approximately 50 percent of the voting securities of such person is owned directly or indirectly by another single interest, or if registrant takes up the equity in undistributed earnings of any other unconsolidated person, there shall be filed for each such person the financial statements which would be required if it were a registrant. The statements filed for each such person shall identify the other single interest, or other interests in any person operated jointly.

8. Omission of Statements Required by Instruction 6 and 7.

Notwithstanding Instructions 6 and 7, there may be omitted from the registration statement all financial statements of any one or more unconsolidated subsidiaries or 50 percent owned persons or other persons if all such subsidiaries and 50 percent owned persons and other persons for which statements are so omitted, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

9. Affiliates Whose Securities Secure an Issue Being Registered.

(a) For each affiliate, securities of which constitute or are to constitute a substantial portion of the collateral securing any class of securities to be registered, there shall be filed the financial statements that would be required if the affiliate were a registrant. However, statements need not be filed pursuant to this instruction for any person whose statements are otherwise filed with the report on an individual, consolidated or combined basis.

(b) For the purposes of this instruction securities of a person shall be deemed to constitute a substantial portion of the collateral if the aggregate principal amount, par value, or book value as shown by the books of the registrant, or market value, whichever is the greatest, of such securities equals 20 percent or more of the principal amount of the class secured thereby.

10. Reorganization of Registrant.

(a) If during the period for which its profit and loss statements are required the registrant has emerged from a reorganization in which substantial changes occurred in its asset, liability, capital stock, surplus or reserve accounts, a brief explanation of such changes shall be set forth in a note or supporting schedule to the balance sheets filed.

(b) If the registrant is about to emerge from such a reorganization, there shall be filed, in addition to the balance sheets of the registrant otherwise required, a balance sheet giving effect to the plan of reorganization. These balance sheets shall be set forth in such form, preferably

columnar, as will show in related manner the balance sheet of the registrant prior to the reorganization, the changes to be effected in the reorganization and the balance sheet of the registrant after giving effect to the plan of reorganization. By a footnote or otherwise a brief explanation of the changes shall be given.

11. Succession to Other Business.

(a) If during the period for which its profit and loss statements are required, the registrant has by merger, consolidation or otherwise succeeded to one or more businesses, the additions, eliminations and other changes effected in the succession shall be appropriately set forth in a note or supporting schedule to the balance sheets filed. In addition, profit and loss statements for each constituent business, or combined statements if appropriate, shall be filed for such period prior to the succession as may be necessary when added to the time, if any, for which profit and loss statements after the succession are filed to cover the equivalent of the period specified in Instruction 2 and 5 above.

(b) If the registrant by merger, consolidation or otherwise is about to succeed to one or more businesses, there shall be filed for the constituent businesses financial statements, combined if appropriate, which would be required if they were registering securities under the Act. In addition, there shall be filed a balance sheet of the registrant giving effect to the plan of succession. These balance sheets shall be set forth in such form, preferably columnar, as will show in related manner the balance sheets of the constituent businesses, the changes to be effected in the succession and the balance sheet of the registrant after giving effect to the plan of succession. By a footnote or otherwise, a brief explanation of the changes shall be given.

(c) This instruction shall not apply with respect to the registrant's succession to the business of any totally-held subsidiary or to any acquisition of a business by purchase, if it would not constitute a significant subsidiary.

12. Acquisition of Other Businesses.

(a) There shall be filed for any business directly or indirectly acquired by the registrant after the date of the balance sheet filed pursuant to Part A or B above and for any business to be directly or indirectly acquired by the registrant, the financial statements which would be required if such business were a registrant.

(b) The acquisition of securities shall be deemed to be the acquisition of a business if such securities give control of the business or combined with securities already held give such control. In addition, the acquisition of securities which will extend the registrant's control of a business shall be deemed the acquisition of the business if any of the securities to be registered hereunder are to be offered in exchange for the securities to be acquired.



(c) No financial statements need be filed, however, for any business acquired or to be acquired from a totally-held subsidiary. In addition, the statements of any one or more businesses may be omitted if such business, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

13. Statements of Banks and Insurance Companies.

Notwithstanding the requirements of the foregoing instructions, financial statements filed for banks or life insurance companies need not be certified.

14. Registrant Not in the Production Stage.

Notwithstanding the foregoing instructions, if the registrant falls within the terms of paragraph (b) or (c) of Rule 5A-01 of Regulation S-X, the following statements, all of which shall be certified, shall be filed for the registrant and each of its significant subsidiaries, if any:

(a) The statements specified in Rules 5A-02, 5A-03, 5A-04, 5A-05 and 5A-07 shall be filed as of the end of the registrant's latest fiscal year unless such fiscal year has ended within 90 days prior to the date of filing the registration statement, in which case such statements may be as of the close of the preceding fiscal year.

(b) If the latest fiscal year of the registrant has ended within 90 days prior to the date of filing the registration statement and the statements required by paragraph (a) are filed as of the end of the preceding fiscal year, statements as of the end of the latest fiscal year shall be filed as an amendment to the registration statement within 90 days after the close of registrant's latest fiscal year.

(c) The statement of cash receipts and disbursements specified in Rule 5A-06 shall be filed for each of the three fiscal years preceding the date of the statements required by paragraph (a) above, and for the fiscal year immediately preceding the date of any statements filed pursuant to paragraph (b).

15. Filing of Other Statements in Certain Cases.

The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Commission may also require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

E. HISTORICAL FINANCIAL INFORMATION

16. Scope of Part E.

The information required by Part E shall be furnished for the seven-year period preceding the period for which profit and loss statements are filed, as to the accounts of each person whose balance sheet is filed. The information is to be given as to all of the accounts specified whether they are presently carried on the books or not. Part E does not call for an audit, but only for a survey or review of the accounts specified. It should not be detailed beyond a point material to an investor. Information may be omitted, however, as to any person for whom equivalent information for the period has been filed with the Commission pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934.

17. Revaluation of Property.

(a) If there were any material increases or decreases in investments, in property, plant and equipment, or in intangible assets, resulting from revaluing such assets, state (1) in what year or years such revaluations were made; (2) the amounts of such increases or decreases, and the accounts affected, including all related entries; and (3) if in connection with such revaluations any related adjustments were made in reserve accounts, state the accounts and amounts with explanations.

(b) Information is not required as to adjustments made in the ordinary course of business, but only as to major revaluations made for the purpose of entering on the books current values, reproduction cost or any values other than original cost.

(c) No information need be furnished with respect to any revaluation entry which was subsequently reversed or with respect to the reversal of a revaluation entry recorded prior to the period if a statement as to the reversal is made.

18. Capital Shares.

(a) If there were any material restatements of capital shares which resulted in transfers from capital share liability to surplus or reserve, state the amount of each such restatement and all related entries. No statement need be made as to restatements resulting from the declaration of share dividends.

(b) If there was an original issue of capital shares, any part of the proceeds of which was credited to accounts other than capital share accounts, state the title of the class, the accounts and the respective amounts credited thereto.

19. Debt Discount and Expense Written Off.

If any material amount of debt discount and expense, on long-term debt still outstanding, was written off earlier than as required under any periodic amortization plan, give the following information: (1) title of the securities, (2) date of the write-off, (3) amount written off, and (4) to what account charged.

20. Premiums and Discount and Expense on Securities Retired.

If any material amount of long-term debt or preferred shares was retired, and if either the retirement was made at a premium or there remained, at the time of retirement, a material amount of unamortized discount and expense applicable to the securities retired, state for each class (1) title of the securities retired, (2) date of retirement, (3) amount of premium paid and of unamortized discount and expense, (4) to what account charged, and (5) whether being amortized and, if so, the plan of amortization.

21. Other Changes in Surplus.

If there were any material increases or decreases in surplus, other than those resulting from transactions specified above, the closing of the profit and loss account or the declaration of payment of dividends, state (1) the year or years in which such increases or decreases were made; (2) the nature and amounts thereof; and (3) the accounts affected, including all material related entries. Instruction 17(c) above shall also apply here.

22. Predecessors.

The information shall be furnished, to the extent it is material, as to any predecessor of the registrant from the beginning of the period to the date of succession, not only as to the entries made respectively in the books of the predecessor or the successor, but also as to the changes effected in the transfer of the assets from the predecessor. However, no information need be furnished as to any one or more predecessors which, considered in the aggregate, would not constitute a significant predecessor.

23. Omission of Certain Information.

(a) No information need be furnished as to any subsidiary, whether consolidated or unconsolidated, for the period prior to the date on which the subsidiary became a majority-owned subsidiary of the registrant or of a predecessor for which information is required above.

(b) No information need be furnished hereunder as to any one or more unconsolidated subsidiaries for which separate financial statements are filed if all subsidiaries for which the information is so omitted, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

(c) Only the information specified in Instruction 17 need be given as to any predecessor or any subsidiary thereof if immediately prior to the date of succession thereto by a person for which information is required, the predecessor or subsidiary was in insolvency proceedings.

#### INSTRUCTIONS AS TO EXHIBITS

Subject to Rule 12b-32 regarding the incorporation of exhibits by reference, the following exhibits shall be filed as a part of the registration statement. Such exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may be referred to by the designation given in the previous filing. Where exhibits are incorporated by reference, the reference shall be made in the list of exhibits called for under Item 13.

1. Copies of the charter and by laws or instruments corresponding thereto as presently in effect.

2. Copies of any plan of acquisition, reorganization, readjustment, or succession described in answer to Item 1, 10, or 13

3. (a) Specimens or copies of all securities to be registered hereunder, and copies of all constituent instruments defining the rights of holders of long-term debt of the registrant and of all subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

(b) There need not be filed, however, (1) any instrument with respect to long-term debt not to be registered hereunder if the total amount of securities authorized thereunder does not exceed 5 percent of the total assets of the registrant and its subsidiaries on a consolidated basis and if there is filed an agreement to furnish a copy of such instrument to the Commission upon request, (2) any instrument with respect to any class of securities if appropriate steps to assure the redemption or retirement of such class will be taken prior to or upon delivery by the registrant of the securities to be registered, or (3) copies of instruments evidencing scrip certificates for fractions of shares.

4. (a) Copies of all material plans setting forth the terms and conditions upon which options, warrants or rights to purchase securities from the registrant or any of its subsidiaries have been or may be granted. If any such plan is not set forth in a written document, a reasonably detailed written description of the terms and conditions thereof, or specimen copies of the options, warrants or rights setting forth the terms and conditions, shall be filed.

(b) The term "plan" as used herein includes all plans, contracts, authorizations or arrangements, whether or not set forth in any formal document. This instruction does not relate to (1) "restricted stock options," "qualified stock options" or "employee stock purchase plans" as those terms are defined in Section 422 through 424 of the Internal Revenue Code, or (2) warrants or rights issued to security holders as such on a pro rata basis.

5. (a) Copies of all material bonus, profit sharing, pension, retirement or deferred compensation plans provided for the benefit of directors, officers or employees of the registrant or any of its subsidiaries. If any such plan is not set forth in a written document, furnish a reasonably detailed written description thereof. Copies of any available booklet or other written description of any such plan shall also be filed.

(b) The definition of the term "plan" in Instruction 4(b) above shall also apply to this instruction. This instruction does not relate to (1) any plan which qualifies under Section 401 of the Internal Revenue Code, (2) any ordinary purchase and sales agency agreement, (3) any agreement with managers of stores in a chain store organization or similar organization or (4) any contract providing for labor or salesmen's bonuses.

6. Copies of any voting trust agreement referred to in answer to Item 5.

7. If any discount on capital shares is shown as a deduction from capital shares on the balance sheet being filed for the registration, there shall be filed a statement of the circumstances under which such discount arose and an opinion of counsel as to the legality of the issuance of the shares to which such discount relates. The opinion shall set forth any applicable constitutional and statutory provisions and shall cite any decisions which in the opinion of counsel are controlling.

8. If the registrant has any shares the preference of which upon involuntary liquidation exceeds the par or stated value thereof, there shall be filed an opinion of counsel as to whether there are any restrictions upon surplus by reason of such excess and also as to any remedies available to security holders before or after payment of any dividend that would reduce surplus to an amount less than the amount of such excess. The opinion shall set forth any applicable constitutional and statutory provisions and shall cite any decisions which in the opinion of counsel are controlling.

9. (a) Copies of every material contract not made in the ordinary course of business which is to be performed in whole or in part at or after the filing of the registration statement or which was made not more than two years before such filing. Only contracts need be filed as to which the registrant or a subsidiary of the registrant is a party or has succeeded to a party by assumption or assignment, or in which the registrant or such subsidiary has a beneficial interest.

(b) If the contract is such as ordinarily accompanies the kind of business conducted by the registrant and its subsidiaries, it is made in the ordinary course of business and need not be filed, unless it falls within one or more of the following categories, in which case it should be filed except where immaterial in amount or significance.

(1) Directors, officers, promoters, voting trustees, or security holders named in answer to Items 5, 6, or 9(d) are parties thereto except where the contract merely involves purchase or sale of current assets having a determinable market price, at such price;

(2) It is of such materiality as to call for specific reference to it in answer to Items 1, 3 or 9.

(3) The registrant's business is substantially dependent upon it, as in the case of continuing contracts to sell the major part of registrant's production in the case of a manufacturing enterprise or to purchase the major part of registrant's requirements of goods in the case of a distribution enterprise, or licenses to use a patent or formula upon which registrant's business depends to a material extent;

(4) It calls for the acquisition or sale of fixed assets for a consideration exceeding 10 percent of all fixed assets of the registrant and its subsidiaries.

(5) It is a lease under which a material part of the property described under Item 3 is held by the registrant; or

(6) The amount of the contract, or its importance to the business of the registrant and its subsidiaries, are material, and the terms and conditions are of a nature of which investors reasonably should be informed.

10. Copies of each material foreign patent for an invention not covered by a United States patent.



For RELEASE Monday, September 15, 1969

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.

SECURITIES EXCHANGE ACT OF 1934  
Release No. 8682

NOTICE OF PROPOSED REVISION OF FORM 10-K

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposed revision of its Form 10-K under the Securities Exchange Act of 1934. That form is a general form for annual reports by companies having securities registered pursuant to Section 12 of the Act and companies having securities registered under the Securities Act of 1933 which are required to file reports pursuant to Section 15(d) of the Securities Exchange Act. The proposed revision is a part of the program for the revision of the Commission's disclosure requirements recommended by the recent Disclosure Study Report.

It is proposed to divide the form into two parts. Companies which file reports pursuant to Section 13 of the Act and are subject to the Commission's proxy and information rules under Section 14 of the Act would file only Part I of the form, together with the required financial statements and exhibits. Companies which file reports pursuant to Section 15(d) of the Act would file both Part I and Part II, together with the required financial statements and exhibits.

The proposed revision consists largely of the amplification of the General Instructions and the instructions to the items of the form to indicate more precisely the information required to be given in annual reports. After the filing of the first report on the revised Form 10-K, subsequent reports will consist largely of an updating of the information previously filed.

Item 2 of the existing Form 10-K which calls for information regarding all increases and decreases during the fiscal year of equity securities of the registrant would be omitted from the revised form. It is proposed to require the reporting of such increases and decreases in the proposed new Form 10-Q reports.

A new item would be added to the form calling for a summary of earnings for the past five years. This summary would be similar to the one proposed to be included in the revised Form 10.

The items relating to management, remuneration and transactions with insiders contained in Part II of the form, would be revised to bring them into accord with the corresponding requirements of the Commission's proxy rules. Thus the revised form would include requirements for the disclosure of indebtedness of insiders to the registrant and its subsidiaries and transactions between insiders and pension, retirement, savings and similar plans provided by the registrant or its parents or subsidiaries.



The instructions as to financial statements would be revised to require comparative financial statements, including source and application of funds statements, for the last two fiscal years. Comparative statements for the last two fiscal years are now required to be included in annual reports to stockholders by Rule 14a-3 and 14c-3 of the proxy and information rules under Section 14 of the Act.

A copy of the form as proposed to be revised is attached to this release.

All interested persons are invited to submit their views and comments on the proposed revision, in writing, to the Securities and Exchange Commission, Washington, D. C. 20549, on or before October 30, 1969. All such communications will be considered available for public inspection.

By the Commission.

Orval L. DuBois  
Secretary

(PRELIMINARY DRAFT)

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.  
20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

GENERAL INSTRUCTIONS

A. Rule as to Use of Form 10-K

(a) Form 10-K shall be used for annual reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for which no other form is prescribed.

(b) Reports on this form shall be filed within 90 days after the end of the fiscal year covered by such report or within 5 days of the mailing of the annual report to stockholders, whichever occurs first. However, Schedule XVI required by Rule 12-16 of Regulation S-X may, at the option of the registrant, be filed not later than 120 days after the end of the fiscal year. Such schedule, if not filed as part of Form 10-K, shall be filed as an amendment under cover of Form 8. Notwithstanding the foregoing, reports on this form filed on or before 1970 need only be filed within 120 days after the end of the fiscal year covered by such reports.

B. Application of General Rules and Regulations.

(a) The General Rules and Regulations under the Act contain certain general requirements which are applicable to reports on any form. These general requirements should be carefully read and observed in the preparation and filing of reports on this form.

(b) Particular attention is directed to Regulation 12B which contains general requirements regarding matters such as the kind and size of paper to be used, the legibility of the report, the information to be given whenever the title of securities is required to be stated, and the filing of the report. The definitions contained in Rule 12b-2 should be especially noted. See also Regulations 13A and 15D.

C. Preparation of Report.

(a) This form is not to be used as a blank form to be filled in, but only as a guide in the preparation of the report on paper meeting the requirements of Rule 12b-12. The report shall contain the item numbers and captions of all items but the text of such items may be omitted. The answers to the items shall be prepared in the manner specified in Rule 12b-13.

(b) Except where information is required to be given for the fiscal year or as of a specified date, it shall be given as of the latest practicable date.

(c) Attention is directed to Rule 12b-20, which states: "In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading."

D. Signature and Filing of Report.

Three complete copies of the report, including financial statements, exhibits and all other papers and documents filed as a part thereof, and five additional copies which need not include exhibits, shall be filed with the Commission. At least one complete copy of the report, including financial statements, exhibits and all other papers and documents filed as a part thereof, shall be filed with each exchange on which any class of securities of the registrant is registered. At least one complete copy of the report filed with the Commission and one such copy filed with each exchange shall be manually signed. Copies not manually signed shall bear typed or printed signatures.

E. Disclosure with Respect to Foreign Subsidiaries.

Information with respect to any foreign subsidiary which is required by any item or other requirement of this form may be omitted from the report to the extent that the required disclosure would be detrimental to the registrant, provided a statement is made that such information has been omitted. Where the names of foreign subsidiaries are omitted pursuant to this instruction, the number of subsidiaries whose names are omitted shall be stated in the report and the names of such subsidiaries shall be separately furnished. The Commission will accord confidential treatment to such names, but may, in its discretion, call for justification that the required disclosure would be detrimental.

F. Incorporation of Certain Information by Reference.

Attention is directed to Rule 12b-23 which provides for the incorporation by reference of information contained in certain documents in answer or partial answer to any item of a report.

G. Information as to Employee Stock Purchase, Savings and Similar Plans.

Attention is directed to Rule 15d-21 which provides that separate annual and other reports need not to be filed pursuant to Section 15(d) of the Act with respect to any employee stock purchase, savings or similar plan if the issuer of the stock or other securities offered to employees pursuant to the plan furnishes to the Commission the information and documents specified in the rule. If the registrant elects to follow the procedure permitted by Rule 15d-21, the information, financial statements and exhibits specified in paragraph (a)(2) of the rule shall be furnished on Form 11-K as an exhibit to the registrant's annual report. Such exhibit need not be signed, but the accountant's certificate accompanying the financial statements included therein shall be manually signed.

H. Omission of Information Previously Filed.

(a) Except as provided in paragraph (b) below, the information called for by Part I of this form (Items 1 through 9) is to be furnished by all registrants required to file a report on this form. Part II (Items 10 through 14) may be omitted from the report by any registrant which, since the close of the fiscal year, has filed with the Commission a definitive proxy statement pursuant to Regulation 14A, or a definitive information statement pursuant to Regulation 14C, which involved the election of directors, or which proposes to file such a proxy or information statement not later than 90 days after the close of the fiscal year.

(b) If the information called for by Items 4, 5, 8 or 10 would be unchanged from that given in a previous report on this form, a reference to the previous report which includes the required information will be sufficient.

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.  
20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended \_\_\_\_\_ . Commission file number \_\_\_\_\_

\_\_\_\_\_  
(Exact name of registrant as specified in its charter)

\_\_\_\_\_  
(State or other jurisdiction of  
incorporation or organization)

\_\_\_\_\_  
(I.R.S. Employer  
Identification No.)

\_\_\_\_\_  
(Address of principal executive offices)

\_\_\_\_\_  
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on  
which registered

\_\_\_\_\_  
\_\_\_\_\_

Securities registered pursuant to Section 12(g) of the Act:

\_\_\_\_\_  
(Title of class)

\_\_\_\_\_  
(Title of class)

PART I

(See General Instruction H)

Item 1. Business.

(a) Identify the principal products produced and services rendered by the registrant and its subsidiaries, the principal markets for, and methods of distribution of, such products and services. Briefly describe any significant changes in the kinds of products produced or services rendered, or in the markets or methods of distribution, since the beginning of the fiscal year.

(b) To the extent material to an understanding of the business, and with particular emphasis on significant changes and developments since the beginning of the fiscal year, briefly describe the following:

(1) Competitive conditions in the industry or industries involved and the competitive position of the enterprise.

(2) The dollar amount of backlog of firm orders as of the end of the registrant's last fiscal year, and as of the end of preceding fiscal year, together with an indication of the proportion thereof not reasonably expected to be filled within the current fiscal year, and any seasonal or other significant aspects of the backlog.

(3) The sources and availability of raw materials essential to the business.

(4) The importance and effect of all material patents, licenses, franchises and concessions held.

(5) Any material research activities relating to the development of new products or services or the improvement of existing products or services. (If research activities are described, estimate the dollar amount spent during the last fiscal year on such research which was company-sponsored and on that which was customer-sponsored and indicate the approximate number of professional employees employed full time to each such category of activity during the fiscal year.)

(6) The number of persons employed by the enterprise.

(c) (1) Information as to lines of business. If the registrant and its subsidiaries are engaged in more than one line of business, state, for each of the registrant's last five fiscal years, or for each fiscal year ending after December 31, 1966, or for each fiscal year the registrant has been engaged in business, whichever period is less, the approximate amount or percentage of (i) total sales and revenues, and (ii) income (or loss) before income taxes and extraordinary items, attributable to each line of business which during either of the last two fiscal years accounted for --

(A) 10 per cent or more of the total of sales and revenues,

(B) 10 per cent or more of income before income taxes and extraordinary items computed without deduction of loss resulting from operations of any line of business, or

(C) a loss which equalled or exceeded 10 per cent of the amount of income specified in (B) above;

provided, that if total sales and revenues did not exceed \$50,000,000 during either of the last two fiscal years, the percentages specified in (A), (B) and (C) above shall be 15 per cent, instead of 10 per cent.

If it is impracticable to state the contribution to income (or loss) before income taxes and extraordinary items for any line of business, state the contribution thereof to the results of operations most closely approaching such income, together with a brief explanation of the reasons why it is not practicable to state the contribution to such income or loss.

Instructions. 1. If the number of lines of business for which information is required exceeds ten, the registrant may, at its option, furnish the required information only for the ten lines of business deemed most important to an understanding of the business. In such event, a statement to that effect shall be set forth.

2. In grouping products or services as lines of business, appropriate consideration shall be given to all relevant factors, including rates of profitability of operations, degrees of risk and opportunity for growth. The basis for grouping such products or services and any material changes between periods in such groupings shall be briefly described.

3. Where material amounts of products or services are transferred from one line of business to another, the receiving and transferring lines may be considered a single line of business for the purpose of reporting the operating results thereof.

4. If the method of pricing intra-company transfers of products or services or the method of allocation of common or corporate costs materially affects the reported contribution to income of a line of business, such methods and any material changes between periods in such methods and the effect thereof shall be described briefly.

5. Information regarding sales or revenues or income (or loss) from different classes of products or services in operations regulated by Federal, State or municipal authorities may be limited to those classes of products or services required by any uniform system of accounts prescribed by such authorities.

(2) Information as to classes of products or services. State for each fiscal year specified in (1) above the amount or percentage of total sales and revenues contributed by each class of similar products or services which contributed 10 per cent or more to total sales and revenues in either of the last two fiscal years, or 15 per cent or more of total sales and revenues if total sales and revenues did not exceed \$50,000,000 during either of the last two fiscal years.

Instructions. 1. Paragraph (2) calls for information with respect to classes of products or services regardless of whether the registrant is engaged in more than one line of business as referred to in paragraph (1) above. However, this information may be combined where appropriate, with the response to paragraph (1).

2. Instruction 5 to paragraph (1) above shall also apply to paragraph (2).

(d) If a material part of the business of the registrant and its subsidiaries is dependent upon a single customer, or a very few customers, the loss of any one of which would have a materially adverse effect on the registrant, the name of the customer or customers and other material facts with respect to their relationship, if any, to the registrant and the importance of the business to the registrant shall be stated.

(e) If the registrant and its subsidiaries engage in material operations outside the United States, or if a material portion of sales or revenues are derived from customers outside the United States, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business.



(f) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done or intended to be done.

Item 2. Summary of Earnings.

Furnish in comparative columnar form a summary of earnings for the registrant, or for the registrant and its subsidiaries consolidated, or both, as appropriate, for each of the last five fiscal years of the registrant. Include comparable data for any additional fiscal years necessary to keep the summary from being misleading. Where necessary, include information or explanation of material significance to investors in appraising the results shown, or refer to such information or explanation set forth elsewhere in the report. An analysis of earned surplus shall be furnished for each fiscal year covered by the summary, as a continuation thereof or elsewhere in the report.

Instructions. 1. Subject to appropriate variation to conform to the nature of the business, the following items shall be included: net sales or operating revenues; cost of goods sold or operating expenses ( or gross profit); interest charges; income taxes; net income before extraordinary items; extraordinary items; and net income. The summary shall reflect the retroactive adjustment of any material items affecting the comparability of the results.

2. If a period or periods reported or include operations of a business prior to the date of acquisition or for other causes differ from reports previously issued for any period, the summary shall be reconciled as to sales or revenues and net income in the summary or by footnote with the amounts previously reported.

3. (a) If common stock is registered, the summary shall be prepared to show earnings applicable to common stock. Per share earnings applicable to common stock and common stock equivalents, per share earnings on a fully diluted basis, and dividends declared for each period of the summary shall also be included, unless inappropriate, and the basis of computation, including the number of shares used, shall be stated.

(b) The registrant shall file as an exhibit a statement setting forth in reasonable detail the computations of earnings per share.

4. (a) If debt securities are registered under Section 12 of the Act, the registrant may, at its option, show in tabular form for each fiscal year the ratio of earnings to fixed charges.

(b) Earnings shall be computed after all operating and income deductions except fixed charges and taxes based on income or profits and after eliminating undistributed income of unconsolidated persons. In the case of utilities, interest credits charged to construction shall be added to gross income and not deducted from interest.

(c) The term "fixed charges" shall mean (i) interest and amortization of debt discount and expense and premium on all indebtedness; (ii) one-third of all rentals reported in the schedule prepared in accordance with Rule 12-16 of Regulation S-X, or such portion as can be demonstrated to be representative of the interest factor in the particular case; and (iii) in case consolidated figures are used, preferred stock dividend requirements of consolidated subsidiaries, excluding in all cases items eliminated in consolidation.

(d) Any registrant electing to show the ratio of earnings to fixed charges, in accordance with this instruction, shall file as an exhibit a statement setting forth in reasonable detail the computations of the ratios shown.

### Item 3. Properties.

State briefly the location and general character of the principal plants, mines and other materially important physical properties of the registrant and its subsidiaries, whether held in fee or leased, and if leased, the expiration dates of material leases.

Instructions. 1. What is required is such information as will reasonably inform investors as to the suitability, adequacy, productive capacity and extent of utilization of the facilities used in the enterprise. Detailed descriptions of the physical characteristics of individual properties or legal descriptions by metes and bounds are not required and should not be given.

2. (a) Where mining is of material importance, show for each important mine or, if appropriate, for each group of mines in a mining district, the total tonnage of ore produced during the last fiscal year.

(b) Where material to evaluation of mining properties, furnish for each such mine or group of mines for the last fiscal year: (1) the average grade of ore produced; (2) the average direct operating cost per ton of ore produced; (3) the aggregate of all additional costs per ton of ore produced, to the extent practicable; and (4) the average dollar amount realized per ton of ore produced.

(c) **Where** mining is of material importance state whether, between the beginning of the last fiscal year and the present, there have been material changes in the principal ore bodies or in the physical mining conditions at each such mine or group of mines and whether any such changes are anticipated. If so, describe such changes and state their significance.

(d) In the case of coal mining, the term "ore" as used in this instruction refers to coal; the term "ore body" refers to the coal bed or coal seam; and information as to the average grade of ore need not be furnished.

3. Where oil and gas operations are of material importance, show: (1) net oil and gas production, preferably in tabular form, for oil in barrels and gas in MCF for the last fiscal year; (2) the gross and net productive wells, and the gross and net producing acres as of a recent date; (3) undeveloped acreage, including gross acres and net acres, either located as to states or geological areas, and whether the acreage is in blocks or in checker-board together with the minimum and maximum remaining terms of leases on such acreage; (4) present activities, such as, the number of wells in the process of drilling, waterfloods in the process of installation, and other related operations of material importance.

4. Where the report of an engineer or other expert is referred to in the annual report, a copy of the full report shall be furnished for the information of the staff but shall not be filed as a part of the annual report.

Item 4. Parents and Subsidiaries.

(a) Furnish a list or diagram of all parents and subsidiaries of the registrant and as to each person named indicate the percentage of voting securities owned, or other basis of control, by its immediate parent, if any.

Instructions. 1. The list or diagram shall include the registrant and shall be so prepared as to show clearly the relationship of each person named to the registrant and to the other persons named. If any person is controlled by means of the direct ownership of its securities by two or more persons, so indicate by appropriate cross reference.

2. Designate by appropriate symbols (a) subsidiaries for which separate financial statements are filed; (b) subsidiaries included in consolidated financial statements; (c) subsidiaries included in group financial statements filed for unconsolidated subsidiaries; and (d) other subsidiaries, indicating briefly why financial statements of such subsidiaries are not filed.

3. Include the name of the State or other jurisdiction in which each subsidiary was incorporated or organized.

4. The names of particular subsidiaries may be omitted if the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

5. The names of consolidated totally-held multiple subsidiaries carrying on the same line of business, such as chain stores or small loan companies, may be omitted, provided the name of the immediate parent, the line of business, the number of omitted subsidiaries operating in the United States and the number operating in foreign countries are given. This instruction shall not apply, however, to banks, insurance companies, savings and loan associations or to any subsidiary subject to regulation by another Federal agency.

Item 5. Pending Legal Proceedings.

Briefly describe any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the registrant or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings were instituted, the date instituted and the principal parties thereto.

Instructions. 1. If the business ordinarily results in actions for negligence or other claims, no such action or claim need be described unless it departs from the normal kind of such actions.

2. No information need be given with respect to any proceeding which involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 15 per cent of the current assets of the registrant and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

3. Notwithstanding Instructions 1 and 2, any material bankruptcy, receivership, or similar proceeding with respect to the registrant or any of its significant subsidiaries shall be described. Any material proceedings to which any director, officer or affiliate of the registrant, any security holder named in answer to Item 10(a), or any associate of any such director, officer or security holder, is a party, or has a material interest, adverse to the registrant or any of its subsidiaries shall also be described.

Item 6. Approximate Number of Equity Security Holders.

State in the tabular form indicated below the approximate number of holders of record of each class of equity securities of the registrant as of the end of the fiscal year:

(1)	(2)
Title of class	Number of <u>record holders</u>

Instructions. 1. Attention is directed to the definition of the term "equity security" in Section 3(a)(11) of the Act and Rule 3a11-1 thereunder and the definition of the term "held of record" in Rule 12g5-1.

2. Information need not be given with respect to the number of holders of "restricted stock options," "qualified stock options" or options granted pursuant to an "employee stock purchase plan," as those terms are defined in Sections 422 through 425 of the Internal Revenue Code.

Item 7. Executive Officers of Registrant.

List the names and ages of all executive officers of the registrant, state the nature of any family relationships between them and indicate all positions and offices held by each person named.

Instruction. The term "executive officer" means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any other officer who performs similar policy-making functions for the registrant.

Item 8. Indemnification of Directors and Officers.

State the general effect of any charter provision, bylaw, contract, arrangement or statute under which any director or officer of the registrant is insured or indemnified in any manner against any liability which he may incur in his capacity as such.

Item 9. Financial Statements and Exhibits Filed.

List all of the following documents filed as a part of the report:

- (a) All financial statements.
- (b) All exhibits, including those incorporated by reference.

Instruction. Where any financial statement or exhibit is incorporated by reference, the incorporation by reference shall be set forth in the list required by this item.

PART II

(See General Instruction H)

Item 10. Principal Holders of Securities.

(a) Furnish the following information in the tabular form indicated as to all voting securities of the registrant, and all securities convertible into voting securities of the registrant, owned of record or beneficially by each person who owns of record, or is known by the registrant to own beneficially, more than 10 per cent of any class of such securities. Show in Column (3) whether the securities are owned both of record and beneficially, of record only, or beneficially only, and show in Columns (4) and (5) the respective amounts and percentages owned in each such manner.

(1)	(2)	(3)	(4)	(5)
<u>Name and Address</u>	<u>Title of class</u>	<u>Type of Ownership</u>	<u>Amount owned</u>	<u>Per cent of class</u>

(b) Furnish the following information in substantially the tabular form indicated as to each class of equity securities of the registrant or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned directly or indirectly by all directors and officers of the registrant, as a group, without naming them.

(1)	(2)	(3)
<u>Title of class</u>	<u>Amount beneficially owned</u>	<u>Per cent of class</u>

Instructions. 1. The percentages are to be calculated on the basis of the amount of outstanding securities, excluding securities held by or for the account of the issuer. In any case where the amount owned by directors and officers as a group is less than 1 per cent of the class, the per cent of the class owned by them may be omitted.

2. If, to the knowledge of the registrant, more than 10 per cent of any class of voting securities of the registrant is held or to be held subject to any voting trust or other similar agreement, state the title of such securities, the amount held or to be held and the duration of the agreement. Give the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

Item 11. Directors of Registrant.

Furnish the following information, in tabular form to the extent practicable, with respect to each director of the registrant:

(a) Name each such director, state the date on which his present term of office will expire and list all other positions and offices with the registrant presently held by him.

(b) State his present principal occupation or employment and give the name and principal business of any corporation or other organization in which such employment is carried on. If not previously reported, give a brief account of his business experience during the past 10 years, including his principal occupations or employments during that period.

Instruction. Where a director's business experience during the past 10 years is described, the occurrence of an event referred to in (a), (b) or (c) below during the previous 10 years may be material to an evaluation of his ability and integrity. If so, appropriate disclosure should be made. If such an event has occurred

but disclosure thereof is omitted on the ground that it is not material, registrant shall furnish, as supplemental information and not as a part of this report, (1) a description of the omitted information and (2) a statement of the reasons for its omission:

(a) A petition under the Bankruptcy Act or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for business or property of, such person, or any partnership in which he was a general partner at or within 2 years before the time of such filing, or any corporation or business association of which he was an executive officer at or within 2 years before the time of such filing;

(b) Such person was convicted in a criminal proceeding (excluding traffic violations and other minor offenses) or is the subject of a criminal proceeding which is presently pending; or

(c) Such person was the subject of any order, judgment, or degree of any court of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, underwriter, broker, or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, or was the subject of any order of a Federal or state authority barring or suspending for more than sixty days the right of such person to be engaged in any such activity which order remains in effect.

(c) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the registrant or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned directly or indirectly by him. If he is not the beneficial owner of any such securities, make a statement to that effect.

(d) If more than 10 per cent of any class of securities of the registrant or any of its parents or subsidiaries are beneficially owned by him 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.



Item 12. Remuneration of Directors and Officers.

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the registrant and its subsidiaries during the registrant's last fiscal year to the following persons for services in all capacities:

(1) Each director of the registrant whose aggregate direct remuneration exceeded \$40,000, and each of the three highest paid officers of the registrant whose aggregate indirect remuneration exceeded that amount, naming each such director and officer.

(2) All directors and officers of the registrant as a group, stating the number of persons in the group without naming them.

(A)	(B)	(C)
Name of individual or number of persons in <u>group</u>	Capacities in which remuneration was <u>received</u>	Aggregate direct <u>remuneration</u>

Instructions. 1. Except as provided in Instruction 2, paragraph (a) of this item applies to any person who was a director or officer of the registrant at any time during the period specified. However, information need not be given for any portion of the period during which such person was not a director or officer of the registrant.

2. Paragraph (a)(1) of this item does not apply to any person who was not named as a director or officer of the registrant in the first registration statement filed on Form 10 for the registration of a class of securities pursuant to Section 12 of the Act, provided (i) such person has not been a director or officer of the registrant since the filing of such statement and (ii) the same information is not otherwise required to be disclosed in any other material filed with the Commission.

3. The information is to be given on an accrual basis if practicable. The tables required by this paragraph and paragraph (b) may be combined if the registrant so desires.

4. Do not include remuneration paid to a partnership in which any director or officer was a partner, but see Item 14.

5. If any part of the remuneration shown in response to this item was paid pursuant to a material bonus or profit-sharing plan, briefly describe the plan and the basis upon which directors or officers participate therein. See Instruction 1 to paragraph (b) for the meaning of the term "plan."

(b) Furnish the following information in substantially the tabular form indicated as to all annuity, pension or retirement benefits proposed to be paid to the following persons in the event of retirement at normal retirement date pursuant to any existing plan provided or contributed to by the issuer or any of its subsidiaries:

(1) Each director or officer named in answer to paragraph (a)(1), naming each such person.

(2) All directors and officers of the registrant who are eligible for such benefits, as a group, stating the number of persons in the group without naming them.

(A)	(B)	(C)
Name of individual or number of persons in group	Amount set aside or accrued during issuer's last fiscal year	Estimated annual benefits upon retirement

Instructions.1. The term "plan" in this paragraph and in paragraph (c) includes all plans, contracts, authorizations or arrangements, whether or not set forth in any formal document.

2. Column (B) need not be answered with respect to payments computed on an actuarial basis under any plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service. In such case, Columns (A) and (C) need not be answered with respect to directors or officers as a group.

3. The information called for by Column (C) may be given in the form of a table showing the annual benefits payable upon retirement to persons in specified salary classifications.

4. In the case of any plan (other than those specified in Instruction 2) where the amount set aside each year depends upon the amount of earnings of the issuer or its subsidiaries for such year or a prior year, or where it is otherwise impracticable to state the estimated benefits upon retirement, there shall be set forth, in lieu of the information called for by Column (C), the aggregate amount set aside or accrued to date, unless it is impracticable to do so, in which case there shall be stated the method of computing such benefits.

(c) Describe briefly all remuneration payments (other than accrued payments reported under paragraph (a) or (b) of this item) proposed to be made in the future, directly or indirectly, by the registrant or any of its subsidiaries pursuant to any existing plan or arrangement to (i) each

director or officer named in answer to paragraph (a)(1), naming each such person, and (ii) all directors and officers of the registrant as a group, without naming them.

Instruction. Information need not be included as to payments to be made for, or benefits to be received from, group life or accident insurance, group hospitalization or similar group payments or benefits. If it is impracticable to state the amount of remuneration payments proposed to be made, the aggregate amount set aside or accrued to date in respect of such payments shall be stated, together with an explanation of the basis for future payments.

Item 13. Options Granted to Management to Purchase Securities.

Furnish the following information, in substantially the tabular form indicated, as to all options to purchase any securities from the registrant or any of its subsidiaries which were granted to or exercised by the following persons since the beginning of the fiscal year, and as to all options held by such persons as of the latest practicable date regardless of when such options were granted: (i) each director and officer named in answer to Item 12(a)(1), naming each such person; and (ii) all directors and officers of the registrant as a group, without naming them:

	<u>(Insert name)</u>	<u>(Insert name)</u>	<u>(Insert name)</u>	<u>All directors and officers as a group</u>
<u>Options granted:</u>				
Number of shares	_____	_____	_____	_____
Average option price per share	\$ _____	\$ _____	\$ _____	\$ _____
<u>Options exercised:</u>				
Number of shares	_____	_____	_____	_____
Aggregate option price of shares purchased	\$ _____	\$ _____	\$ _____	\$ _____
Aggregate market value of shares on date options were exercised	\$ _____	\$ _____	\$ _____	\$ _____
<u>Unexercised options held at (insert date) _____:</u>				
Number of shares	_____	_____	_____	_____
Average option price per share	\$ _____	\$ _____	\$ _____	\$ _____

Instructions. 1. The term "options" as used in this item includes all options, warrants or rights, other than those issued to security holders as such on a pro rate basis. Where the average option price per share is called for, the weighted average price per share shall be given.

2. The extension, regranting or material amendment of options shall be deemed the granting of options within the meaning of this item.

3. (i) Where the total market value on the granting dates of the securities called for by all options granted during the period specified does not exceed \$10,000 for any officer or director named in answer to paragraph (a)(1) or \$40,000 for all officers and directors as a group, this item need not be answered with respect to options granted to such person or group. (ii) Where the total market value on the dates of purchase of all securities purchased through the exercise of options during the period specified does not exceed \$10,000 for any such person or \$40,000 for such group, this item need not be answered with respect to options exercised by such person or group. (iii) Where the total market value as of the latest practicable date of the securities called for by all options held at such time does not exceed \$10,000 for any such person or \$40,000 for such group, this item need not be answered with respect to options held as of the specified date by such person or group.

4. If the options relate to more than one class of securities, the information shall be given separately for each such class.

Item 14. Interest of Management and Others in Certain Transactions.

(a) Describe briefly any transactions since the beginning of the last fiscal year or any presently proposed transactions, to which the registrant or any of its subsidiaries was or is to be a party, in which any of the following persons has or is to have a direct or indirect material interest, naming such person and stating his relationship to the registrant, the nature of his interest in the transaction and, where practicable, the amount of such interest:

(1) Any director or officer of the registrant;

(2) Any security holder named in answer to Item 10(a);

(3) Any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same home as such person or who is a director or officer of any parent or subsidiary of the registrant.

Instructions. 1. This Item 14(a) applies to any person who held any of the positions or relationships specified at

any time during the period specified. However information need not be given for any portion of the period during which such person did not hold any such position or relationship.

2. No information need be given in response to this item as to any remuneration or other transaction reported in response to Items 12 or 13, or as to any transaction with respect to which information may be omitted pursuant to Instruction 2 to Item 12(b), the instruction to Item 12(c), or Instruction 2 or 3 to Item 14(b)

3. No information need be given in answer to this Item 14(a) as to any transaction where --

(a) the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

(b) the transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;

(c) the amount involved in the transaction or a series of similar transactions, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed \$30,000; or

(d) the interest of the specified person arises solely from the ownership of securities of the registrant and the specified person receives no extra or special benefit not shared on a pro rata basis by all holders of securities of the class.

4. It should be noted that this item calls for disclosure of indirect, as well as direct, material interests in transactions. A person who has a position or relationship with a firm, corporation, or other entity, which engages in a transaction with the registrant or its subsidiaries may have an indirect interest in such transaction by reason of such position or relationship. However, a person shall be deemed not to have a material indirect interest in a transaction within the meaning of this Item 14(a) where --

(a) the interest arises only (i) from such person's position as a director of another corporation or organization (other than a partnership) which is a party to the transaction, or (ii) from the direct or indirect ownership by such person and all other persons specified in subparagraphs (1) through (3) above, in the aggregate, of less than a 10 per cent equity interest in another person (other than a partnership) which is a party to the transaction, or (iii) from both such position and ownership;

(b) the interest arises only from such person's position as a limited partner in a partnership in which he and all other persons specified in (1) through (3) above had an interest of less than 10 percent; or

(c) the interest of such person arises solely from the holding of an equity interest (including a limited partnership interest, but excluding a general partnership interest) or a creditor interest in another person which is a party to the transaction with the issuer or any of its subsidiaries and the transaction is not material to such other person.

5. The amount of the interest of any specified person shall be computed without regard to the amount of the profit or loss involved in the transaction. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

6. In describing any transaction involving the purchase or sale of assets by or to the registrant or any of its subsidiaries, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the transaction, the cost thereof to the seller.

7. The foregoing instructions specify certain transactions and interests as to which information may be omitted in answering this item. There may be situations where, although the foregoing instructions do not expressly authorize non-disclosure, the interest of a specified person in the particular transaction or series of transactions is not a material interest. In that case, information regarding such interest and transaction is not required to be disclosed in response to this item.

(b) State as to each of the following persons who was indebted to the registrant or its subsidiaries at any time since the beginning of the last fiscal year of the registrant, (i) the largest aggregate amount of indebtedness outstanding at any time during such period, (ii) the nature of the indebtedness and of the transaction in which it was incurred, (iii) the amount thereof outstanding as of the latest practicable date, and (iv) the rate of interest paid or charged thereon:

- (1) Each director or officer of the registrant; and
- (2) Each associate of any such director or officer.

Instructions. 1. Include the name of each person whose indebtedness is described and the nature of the relationship by reason of which the information is required to be given.

2. This paragraph does not apply to any person whose aggregate indebtedness did not exceed \$10,000 or one per cent of the registrant's total assets, whichever is less, at any time during the period specified. Exclude in the determination of the amount of indebtedness all amounts due from the particular person for purchases subject to usual trade terms, for ordinary travel and expense advances and for other transactions in the ordinary course of business.

3. Notwithstanding Instruction 2, if the registrant or any of its subsidiaries is engaged primarily in the business of making loans and loans to any of the specified persons in excess of \$10,000 or one per cent of its total assets, whichever is less, were outstanding at any time during the period specified, such loans shall be disclosed. However, if the lender is a bank, such disclosure may consist of a statement, if such is the case, that the loans to such persons (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (iii) did not involve more than normal risk of collectibility or present other unfavorable features.

4. If to the knowledge of the registrant any indebtedness required to be described arose under Section 16(b) of the Act and has not been discharged by payment, state the amount of any profit realized, that such profit will inure to the benefit of the registrant or its subsidiaries and whether suit will be brought or other steps taken to recover such profit. If in the opinion of counsel a question reasonably exists as to the recoverability of such profit, it will suffice to state all facts necessary to describe the transaction, including the prices and number of shares involved.

(c) Describe briefly any transactions since the beginning of the registrant's last fiscal year or any presently proposed transactions, to which any pension, retirement, savings or similar plan provided by the registrant or any of its parents or subsidiaries, was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest, naming such person and stating his relationship to the registrant, the nature of his interest in the transaction and, where practicable, the amount of such interest:

- (1) Any director or officer of the registrant;
- (2) Any security holder named in answer to Item 10(a);
- (3) Any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same home as such person or who is a director or officer of any parent or subsidiary of the registrant; or
- (4) The registrant or any of its subsidiaries.

Instructions. 1. Instructions 2, 3, 4 and 5 to Item 14(a) shall apply to this Item 14(c).

2. Without limiting the general meaning of the term "transaction" there shall be included in answer to this item any remuneration received or any loans received or outstanding during the period, or proposed to be received.

3. No information need be given in answer to paragraph (c) with respect to --

(a) payments to the plan, or payments to beneficiaries, pursuant to the terms of the plan;

(b) payment of remuneration for services not in excess of 5 per cent of the aggregate remuneration received by the specified person during the registrant's last fiscal year from the registrant and its subsidiaries; or

(c) any interest of the registrant or any of its subsidiaries which arises solely from its general interest in the success of the plan.

#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

\_\_\_\_\_  
(Registrant)

Date \_\_\_\_\_

By \_\_\_\_\_  
(Signature)\*

\* Print the name and title of the signing officer under his signature.



### INSTRUCTIONS AS TO FINANCIAL STATEMENTS

The following instructions specify the balance sheets, profit and loss statements and source and application of funds statements required to be filed as a part of the annual report on this form. Regulation S-X governs the certification, form and content thereof, including the basis of consolidation, and prescribes the statements of surplus and schedules to be filed in support thereof.

If either the profit and loss or earned surplus statements required are included in their entirety in the summary of earnings required by Item 2, the statements so included need not be otherwise included in the annual report.

#### 1. Statements of the Registrant

(a) There shall be filed for the registrant, in comparative columnar form, certified balance sheets as of the close of the last two fiscal years and certified profit and loss and source and application of funds statements for such fiscal years.

(b) Notwithstanding paragraph (a), the individual financial statements of the registrant may be omitted if (1) consolidated statements of the registrant and one or more of its subsidiaries are filed, and (2) the conditions specified in either of the following paragraphs are met:

(i) The registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements filed are totally-held subsidiaries; or

(ii) The registrant's total assets, exclusive of investments in and advances to the consolidated subsidiaries, constitute 85 per cent or more of the total assets shown by the consolidated balance sheet filed and the registrant's total gross revenues for the period for which its profit and loss statement would be filed, exclusive of interest and dividends received from the consolidated subsidiaries, constitute 85 per cent or more of the total gross revenue shown by the consolidated profit and loss statements filed.

#### 2. Consolidated Statements

There shall be filed for the registrant and its subsidiaries, in comparative columnar form, certified consolidated balance sheets as of the close of the last two fiscal years of the registrant and certified consolidated profit and loss and source and application of funds statements for such fiscal years.

3. Statements of Subsidiaries not Consolidated

(a) Subject to Rule 4-03 of Regulation S-X regarding group statements, there shall be filed for each majority-owned subsidiary of the registrant not consolidated the financial statements which would be required if it were a registrant.

(b) If the fiscal year of any unconsolidated subsidiary ends within 90 days before the date of filing the annual report, or after the date of filing, the statements of the subsidiary required by paragraph (a) may be filed as an amendment to the report within 90 days after the end of the subsidiary's fiscal year.

4. Fifty-Per Cent Owned Persons and Other Persons

If the registrant owns directly or indirectly approximately 50 per cent of the voting securities of any person and approximately 50 per cent of the voting securities of such person is owned directly or indirectly by another single interest or if the registrant takes up the equity in undistributed earnings of any other unconsolidated person, there shall be filed for each such person the financial statements which would be required if it were a registrant. The statements filed for each such person shall identify the other single interest or other interests in any person operated jointly.

5. Omission of Statements Required by Instructions 3 and 4

Notwithstanding Instructions 3 and 4, there may be omitted from the annual report all financial statements of any one or more unconsolidated subsidiaries or 50 per cent owned persons or other persons if all such subsidiaries, 50 per cent owned persons and other persons for which statements are so omitted, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

6. Affiliates whose Securities are Pledged as Collateral

(a) For each affiliate of the registrant whose securities constitute a substantial portion of the collateral securing any class of registered securities, there shall be filed the financial statements that would be required if the affiliate were a registrant. However, statements need not be filed pursuant to this instruction for any person whose statements are otherwise filed with the report on an individual, consolidated or combined basis.

(b) For the purposes of this instruction, securities of a person shall be deemed to constitute a substantial portion of the collateral if the aggregate principal amount, par value, or book value as shown by the books of the registrant, or market value, whichever is the greatest, of such securities equals 20 per cent or more of the principal amount of the class secured thereby.

7. Statements of Banks and Insurance Companies

Notwithstanding the requirements of the foregoing instructions, financial statements filed for banks or life insurance companies need not be certified.

8. Registrants Not in the Production Stage

(a) Notwithstanding the foregoing instructions, if the registrant falls within the terms of paragraph (b) or (c) of Rule 5A-01 of Regulation S-X, the following statements, all of which shall be certified except as provided in (b) below, shall be filed for the registrant and each of its significant subsidiaries, if any:

(i) The statements specified in Rules 5A-02, 5A-03, 5A-04, 5A-05 and 5A-07 shall be filed, in comparative columnar form, as of the end of the last two fiscal years; and

(ii) The statement of cash receipts and disbursements specified in Rule 5A-06 shall be filed, in comparative columnar form, for such fiscal years.

(b) The financial statements prescribed in (a) above need not be certified if all of the following conditions are met by the registrant and each of its significant subsidiaries, if any:

(i) Gross receipts from all sources for the fiscal year are not in excess of \$5,000;

(ii) The registrant has not purchased or sold any of its own stock, granted options therefor, or levied assessments upon outstanding stock;

(iii) Expenditures for all purposes for the fiscal year are not in excess of \$5,000;

(iv) No material change in the business has occurred during the fiscal year, including any bankruptcy, reorganization, readjustment or succession or any material acquisition or disposition of plants, mines, mining equipment, mine rights or leases;

(v) No exchange upon which the shares are listed, or governmental authority having jurisdiction, requires the furnishing to it, or the publication of, certified financial statements.

9. Filing of Other Statements in Certain Cases

The Commission may, upon the informal written request of the registrant and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Commission may also by informal written notice require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

INSTRUCTIONS AS TO EXHIBITS

Subject to Rule 12b-32 regarding the incorporation of exhibits by reference, the following exhibits shall be filed as a part of the report:

A. Copies of all amendments or modifications, not previously filed, to all exhibits previously filed (or copies of such exhibits as amended or modified).

B. Copies of all contracts and other documents of a character required to be filed as an exhibit to an original registration statement on Form 10 which were executed or in effect during the fiscal year and not previously filed.

SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO SECTION 15(d) OF THE ACT BY ISSUERS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE ACT

(a) Every registrant which files an annual report on this form pursuant to Section 15(d) of the Act shall furnish to the Commission for its information, at the time of filing its report on this form, four copies of the following:

(1) Any annual report to stockholders covering the registrant's last fiscal year; and

(2) Every proxy statement, form of proxy or other proxy soliciting material sent to more than ten of the registrant's stockholders with respect to any annual or other meeting of stockholders.

(b) The foregoing material shall not be deemed to be "filed" with the Commission or otherwise subject to the liabilities of Section 18 of the Act, except to the extent that the registrant specifically incorporates it in its annual report on this form by reference.

(c) If no such annual report or proxy material has been sent to stockholders, a statement to that effect shall be included in the answer to Item 9. If such report or proxy material is to be furnished to stockholders subsequent to the filing of the annual report on this form, the registrant shall so state in answer to Item 9 and shall furnish copies of such material to the Commission when it is sent to stockholders.

For RELEASE Monday, September 15, 1969

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.

SECURITIES EXCHANGE ACT OF 1934  
Release No. 8683

PROPOSAL TO ADOPT FORM 10-Q REPORT PURSUANT TO  
SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND TO RESCIND FORMS 8-K AND 9-K  
UNDER THAT ACT.

NOTICE IS HEREBY GIVEN that the Securities and Exchange Commission has under consideration a proposal to adopt Form 10-Q under the Securities Exchange Act of 1934 ("Act") to replace Forms 8-K and 9-K under the Act which would be rescinded.

This proposal is part of a program to improve disclosure made under the Act which includes revision of Forms 10, the form for registration under Section 12 of the Act, and 10-K, the form for annual reports under the Act in general use. (See Securities Exchange Act Release Nos. 8681-8682. .) The proposal was generated by a report to the Commission by a Special Disclosure Policy Study Group drawn from its staff, entitled "Disclosure to Investors - A Reappraisal of Administrative Policies under the '33 and '34 Acts."

It appears to the Commission that Current Reports on Form 8-K are not widely used by investors and their advisors. This may be because these reports are not filed at regular intervals and they are not truly current reports since they need not be filed until 10 days after the end of a month in which a reportable event occurred. The Commission considered requiring prompt reporting of an event within a few days of its occurrence. However, this appears difficult to administer and unduly burdensome and duplicative of the timely disclosure policies of the major stock exchanges and otherwise pursued by many companies. As an alternative, the Commission is proposing to adopt a regular quarterly report which will provide detailed information as a back-up to information released pursuant to timely disclosure policies. This report would include quarterly financial information.

Many publicly held companies are releasing condensed quarterly financial information, and the major stock exchange require publication of such information by listed companies. The proposals here go beyond the standards set by the exchanges in some respects. The Commission is proposing to adopt a proposed quarterly financial report to provide uniform standards which would apply to all registrants filing reports under the Act including companies having securities registered under Section 12(g) of the Act.

The proposed Form 10-Q would be filed quarterly by registrants required to file reports under Section 13 or 15(d) of the Act with exceptions set forth in proposed Rules 13a-11 and 15(d)-11. (See Securities Exchange Act Release No. 8680 ). The Form is proposed in four parts. Part I contains the substance of the disclosure items, in present Form 8-K with

some revisions noted below. Part II would be required to be filed only for the first three quarters of a registrant's fiscal year, although the Commission is considering whether it should also be required for the fourth quarter. Part II contains summarized financial information in somewhat more detail than the present Semi-Annual Report on Form 9-K. The information need not be certified, and Part II would not be deemed filed for purposes of the liability provisions of Section 18 of the Act. Part III is to be filed only in the event of a reportable acquisition and requires the filing of specified financial statements of the acquired business. Part IV is simply the exhibits required to be filed in response to Part I. A detailed analysis of the proposed form has been provided to assist interested persons in considering the proposal.

#### Analysis of Form 10-Q

The following analysis is of necessity somewhat simplified, and reference is made to the proposed form itself for a more complete indication of its requirements.

#### Rules as to Use of Form 10-Q

The form would be used for reports pursuant to proposed Rule 13a-11 or 15d-11 under the Act. Parts I, III (financial statements of acquired businesses) and IV (exhibits) of the form would be used by all registrants presently required to file current reports on Form 8-K. Registrants presently exempt from filing reports on that form would be exempt from filing reports on Form 10-Q, viz., foreign governments, foreign private issuers, issuers of American depositary receipts, and investment companies presently required to file quarterly reports pursuant to Rule 13a-12 or 15d-12 under the Act. "Cash-flow real estate companies" now required to file quarterly reports on Form 7-K and current reports on Form 8-K would not be required to file reports on Form 10-Q. Form 7-K would also be rescinded and those companies would file reports on proposed Form 7-Q. (See Securities Exchange Act Release No. 8684.)

Certain categories of registrants would not be required to file Part II of Form 10-Q (summarized financial information), viz., all registrants not required to file Annual Reports on Form 10-K, 12-K or U5-S; certain registrants in promotional or developmental stages; and life insurance companies. Certain categories of registrants now exempt from filing Semi-Annual financial Reports on Form 9-K would not be exempt from filing Part II of proposed Form 10-Q. For example, the Commission believes the trading markets should have the benefit of quarterly financial information concerning bank holding companies and those banks required to file Annual Reports on Form 10-K. Registrants having material seasonal cycles or material variation in operating results, such as producers of single crop agricultural commodities would not be exempt, but would be permitted to file information for the 12 months ended with the current quarter. Certain registrants which file reports

with other federal agencies would be permitted to file quarterly reports filed with those agencies for Part II of Form 10-Q. In addition, the Commission believes that accounting procedures for insurance companies, other than life insurance companies, have developed to the extent that such companies should file quarterly financial information.

#### Filing Date

The proposed Form 10-Q for the first three quarters of a registrant's fiscal year would be filed not later than 45 days after the end of each quarter. Form 8-K is presently required to be filed not later than 10 days after the end of a month in which a reportable event occurs. Form 9-K is now required to be filed not later than 45 days after the end of the first six months of a registrant's fiscal year.

The report for the fourth quarter would not contain summarized financial information (because certified financial statements for the entire fiscal year would be included in the Annual Report on Form 10-K) and would be required to be filed not later than 10 days after the end of the fourth quarter. However, as indicated above, the Commission is considering the advisability of requiring summarized financial information for the fourth quarter as well as for the first three quarters.

There is a significant exception to the foregoing. When a significant acquisition or disposition of assets occurs, the information specified in Item 3 of the proposed form should be filed not later than 10 days after the acquisition or disposition occurs.

#### Check List of Material Events to be Reported

For convenience of persons not familiar with filing Form 10-Q, a check list of significant events which should be reported is included in the instructions.

#### Item 1. Changes in Control of Registrant

This item expands the present Item 1 of Form 8-K to require disclosure of contracts or arrangements which might at a subsequent date result in a change in control of the registrant.

#### Item 2. Changes in Management of Registrant

This item is not in Form 8-K. It requires disclosure of the identities of new directors and executive officers of the registrant if not previously reported. It also requires a brief account of the new director's or executive officer's business experience during the preceding 10 years. For an executive officer this information should indicate whether he was convicted of a crime or is a defendant in a criminal proceeding, was an officer of a company subject to bankruptcy or similar proceedings, or is subject to a court order enjoining him from engaging in certain activities. Certain of the information relating to executive officers may be omitted on the grounds that it is not material, if it is furnished as supplemental information together with an explanation of the omission.



The Commission believes that such information as to the backgrounds of executive officers is important to investors.

Item 3. Acquisition and Disposition of Assets

This item requires substantially the same information as required by Item 2 of present Form 8-K with several exceptions. Acquisition or disposition of assets by fifty-percent-owned persons would be required to be reported, since such transactions may have a material effect on the business of the registrant. The material relationship between a person from whom assets were acquired or to whom they were sold and any person owning beneficially more than 10 percent of the outstanding voting securities of the registrant, as well as those persons enumerated in Form 8-K, is required to be disclosed. Finally the standard for measuring the materiality of the transaction in the proposed Form 10-Q is 10 percent of certain accounts of the registrant rather than 15 percent as it is in Form 8-K.

As previously discussed, reports pursuant to Item 3 are required not later than 10 days after the occurrence of the event. The Commission believes that information as to significant acquisitions or dispositions of assets is of such material importance to an understanding of the business of a registrant as to require it to be reported reasonably promptly.

Item 4. Increases in Amount of Equity Securities Outstanding

Item 5. Decreases in Amount of Equity Securities Outstanding

Item 6. Increases in Amount of Outstanding Debt Securities of Registrant, Its Majority-Owned Subsidiaries and Fifty-Percent-Owned Persons

Item 7. Decreases in Amount of Outstanding Debt Securities of Registrant, Its Majority-Owned Subsidiaries and Fifty-Percent-Owned Persons

These four items are substantially the same as Items 7 and 8 of present Form 8-K with some significant exceptions. For convenience separate items are proposed for debt and equity securities.

The most significant change from Form 8-K is that all increases and decreases in equity securities must be reported. Form 8-K now requires a report only when the increase not previously reported exceeds 5 percent of the outstanding securities of a class. The Commission believes that information concerning all increases in equity securities is necessary on a quarterly basis, particularly for understanding the registrant's financial statements. It should not be burdensome for registrants to report this information on a regular quarterly basis. Moreover, the proposed revision of Form 10-K (Securities Exchange Act Release No. 8682 ) would eliminate Item 2 of Form 10-K which presently requires reporting all increases and decreases in equity securities annually.

The more significant change relating to increases or decreases in outstanding debt securities is the requirement that such changes also be reported for majority-owned subsidiaries and fifty-percent-owned persons. This information is necessary for an understanding of the debt structure of the total enterprise.

Item 8. Legal Proceeding

This item requires substantially the same disclosure as Item 3 of present Form 8-K, except it has been revised to require disclosure of certain administrative proceedings before government agencies.

Item 9. Changes in Registered Securities

This item requires disclosure of changes in registered securities affecting the rights of holders of such securities. It is substantially identical with Item 4 of Form 8-K.

Item 10. Changes in Security for Registered Securities

Item 11. Defaults Upon Senior Securities

Item 12. Revaluation of Assets or Restatement of Capital Share Account

Item 13. Options to Purchase Securities

Item 14. Submission of Matters to a Vote of Security Holders

Item 16. Other Materially Important Events

Item 17. Financial Statements and Exhibits

These items are substantially unchanged from Items 5, 6, 10, 9, 11, 12 and 13, respectively, of Form 8-K.

Item 15. Material Amendments to Registrant's Charter or By-Laws

This item is new. It requires a statement as to the general effect of material changes in a registrant's charter or by-laws not reported in response to any other item of the Form.

Part III Financial Statements of Businesses Acquired

Part IV Exhibits

Parts III and IV of Form 10-Q are substantially the same as the corresponding parts of Form 8-K.

Part II Summarized Financial Information

The requirements of Part II are substantially those recommended to the Commission by the Special Disclosure Policy Study Group. That group had the assistance of a special subcommittee of the Governmental Relations Committee of the American Institute of Certified Public Accountants in preparing the requirements for summarized financial information in Form 10-Q.

General Instruction E refers to rule 12b-23 which would provide, in effect, that if the registrant sends a quarterly report to its security holders which meets the requirements of Part II of the proposed form the report sent to security holders may be incorporated by reference. It should be noted that a copy of any material incorporated by reference in response to any item or part of the proposed form must be filed with the report.

The information required by Part II need not be certified, but should be prepared in accordance with generally accepted accounting principles on a consistent basis. The summarized financial information required by the report requires profit and loss information in more detail than is now required by Form 9-K, including data on earnings per common share and common stock equivalents of the registrant's stock. In addition certain information is required relating to the registrant's capitalization and stockholders' equity.

All interested persons are invited to submit their views and comments on the proposed form, in writing, to the Securities and Exchange Commission Washington, D. C. 20549, on or before October 30, 1969. All such communications will be considered available for public inspection.

By the Commission.

Orval L. DuBois  
Secretary

(PRELIMINARY DRAFT)

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.  
20549

FORM 10-Q

REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934, FILED PURSUANT TO  
RULE 13a-11 or 15d-11

GENERAL INSTRUCTIONS

A. Rule as to Use of Form 10-Q.

(a) Form 10-Q shall be used for reports under Section 13 or 15(d) of the Securities Exchange Act of 1934, filed pursuant to Rule 13a-11 or Rule 15d-11.

(b) A report on this form shall be filed within 45 days after the end of each of the first three fiscal quarters of each fiscal year, and within 10 days after the end of the fourth fiscal quarter of each fiscal year. Reports for the fourth fiscal quarter need not include the financial information called for by Part II of the form - Summarized Financial Information.

(c) A report limited to the information required to be furnished by Item 3, including the related exhibit called for by Instruction 1 of the Instructions as to Exhibits (Part IV, below) shall be filed within 10 days after the occurrence of an event specified in Item 3.

B. Application of General Rules and Regulations.

(a) The General Rules and Regulations under the Act contain certain general requirements which are applicable to reports on any form. These general requirements should be carefully read and observed in the preparation and filing of reports on this form.

(b) Particular attention is directed to Regulation 12B which contains general requirements regarding matters such as the kind and size of paper to be used, the legibility of the report, the information to be given whenever the title of securities is required to be stated, and the filing of the report. The definitions contained in Rule 12b-2 should be especially noted. See also Regulations 13A and 15D.

C. Preparation of Report.

(a) This form is not to be used as a blank form to be filled in, but only as a guide in the preparation of the report on paper meeting the requirements of Rule 12b-12. The report shall contain the numbers and captions of all items to which answers are furnished, but the text of such items and the instructions thereunder shall be omitted. If no answer is required to any item or items by reason of the fact that no change has occurred calling for the submission of an answer, so state, identifying such items by number only.

(b) Each answer furnished shall be complete, provided that a cross reference to one or more other items in the report may be used to avoid reporting a particular transaction more than once.

(c) Attention is directed to Rule 12b-20 which states: "In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading."

D. Signature and Filing of Reports.

There shall be filed with the Commission three complete copies of the report, including financial statements, if any, exhibits and all other papers and documents filed as a part thereof, and five additional copies which need not include exhibits. At least one complete copy of the report, including financial statements, exhibits and all other papers and documents filed as a part thereof, shall be filed with each exchange on which any class of securities of the registrant is listed and registered. At least one complete copy of the report filed with the Commission and one such copy filed with each such exchange shall be manually signed. Copies not manually signed shall bear typed or printed signatures.

E. Incorporation by Reference.

Attention is directed to Rule 12b-23 which provides for the incorporation by reference of information contained in certain documents in answer or partial answer to any item of a report.

F. Check List of Material Events to be Reported.

For the convenience of those not familiar with Form 10-Q, the following check list may be of assistance in locating the items in the form which require, upon the occurrence of certain material events, the furnishing of specific information:

	<u>Item</u>
Acquisition, significant*	3
Articles of Incorporation, amendment affecting rights of security holders	9
Assets, acquisition of significant amount*	3
Assets, disposition of significant amount*	3
Assets, revaluation of	12
By Laws -- amendment generally	15

---

\*See Instruction 4 to Item 3 for test of a "significant" amount.

	<u>Item</u>
Capital account, restatement of	12
Capital, transfer to surplus	12
Charter, amendment affecting rights of security holders	9
Charter, amendment generally	15
Contract which may result in change in control of registrant	1
Control, change in	1
Control group, change in	1
Debt, default in respect of	11
Debt, default in respect of, waived by lender	11
Debt, decrease in	7
Debt, increase in	6
Director, new	2
Dividends, arrearage	11
Equity securities, decrease in	5
Equity securities, increase in	4
Judgment, litigation	8
Legal proceedings, commencement of	8
Legal proceedings, termination of	8
Officer, new	2
Options, granted or extended	13
Preferred stock, default in respect of	11
Preferred stock, dividend arrearage	11
Securities, new	4, 6
Security for debt, withdrawal or substitution of	10
Security holders, vote of	14
Security holders, modification of rights of	9
Security holders, <b>rights</b> of affected by issuance or modification of another class of securities	9
Settlement, litigation	8
Surplus, transfer to capital	12

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.  
20549

FORM 10-Q

REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934, FILED PURSUANT TO  
RULE 13a-11 OR 15d-11

For Quarter Ended \_\_\_\_\_: Commission file number \_\_\_\_\_.  
(If filed pursuant to General Instruction A(c): Date of event \_\_\_\_\_).

---

(Exact name of registrant as specified in its charter)

---

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

---

(Address of principal executive offices)

(Zip Code)

PART I. EVENTS TO BE REPORTED

Item 1. Changes in Control of Registrant.

(a) If any person has become a parent of the registrant, as defined in Rule 12b-2 under the Act, give the name of such person, the date and a brief description of the transaction or transactions by which the person became such a parent and the percentage of voting securities of the registrant owned by such parent or other basis of control by such parent over the registrant. Include the consideration involved in the transaction and any material related contractual arrangements.

(b) If any person has ceased to be a parent of the registrant, give the name of such person and the date and a brief description of the transaction or transactions by which the person ceased to be a parent.

(c) If to the knowledge of the registrant any person has entered into any contract or arrangement, including any pledge of securities of the registrant or any of its parents, the operation of the terms of which may at a subsequent date result in a change in control of the registrant, describe such contract or arrangement, including the names of the parties thereto and the amounts of securities or other consideration involved.

Item 2. Changes in Management of Registrant.

(a) If any person has become a director of the registrant, state his name and, to the extent not previously reported in a definitive proxy statement or information statement filed pursuant to Regulation 14A or 14C, give a brief account of his business experience during the past ten years, including his principal occupations or employments.

(b) If any person has become a director of the registrant, otherwise than by election by security holders, pursuant to any arrangement or understanding between such person and any other person or persons, except (i) the directors of the registrant acting solely in their capacity as such or (ii) any person currently identified in reports filed with the Commission as a parent of the registrant, name such other person or persons and describe briefly such arrangement or understanding.

(c) If any person has become an executive officer of registrant, state his name, indicate all positions and offices he holds, and give a brief account of his business experience during the past ten years, including his principal occupations or employments.

(d) If any person has ceased to be a director or executive officer of the registrant, state his name, the position terminated, and the date of such termination.



Instructions. 1. The term "executive officer" means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration, or finance) and any other officer who performs similar policy-making functions for the registrant.

2. Occurrence of an event referred to in (A), (B) or (C) below during the past 10 years may be material to evaluation of the ability and integrity of registrant's management. If so, appropriate disclosure should be made. If such an event has occurred but disclosure thereof is omitted on the ground that it is not material, registrant should furnish, as supplemental information and not as a part of this report (1) a description of the omitted information and (2) a statement of the reasons for its omission:

(A) A petition under the Bankruptcy Act or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for business or property of, any person named in answer to (a) or (c) above, or any partnership in which he was a general partner at or within 2 years before the time of such filing, or any corporation or business association of which he was an executive officer at or within 2 years before the time of such filing;

(B) Any person named in answer to (a) or (c) above was convicted in a criminal proceeding (excluding traffic violations and other minor offenses) or is a defendant in a criminal proceeding (excluding traffic violations and other minor offenses) which is presently pending; or

(C) Any person named in answer to (a) or (c) above was the subject of any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, underwriter, broker, or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, or was subject to any order of a Federal or State authority barring or suspending for more than sixty days the right of such person to be engaged in any such activity which order remains in effect.

Item 3. Acquisition or Disposition of Assets.

If the registrant or any of its majority-owned subsidiaries or fifty-percent-owned persons has acquired or disposed of a significant amount of assets, otherwise than in the ordinary course of business, state the date and manner of acquisition or disposition and a brief description of the assets involved, the nature and amount of consideration given or received therefor, the accounting treatment thereof, the principle followed in determining the amount of such consideration, the identity of the persons from

whom the assets were acquired or to whom they were sold, and the nature of any material relationship between such persons and the registrant or any of **its** affiliates, any director of or officer of the registrant, any associate of such director or officer, or any person owning beneficially more than 10 percent of the outstanding voting securities of the registrant.

Instructions. 1. No information **need be given** as to (i) any transaction between any person and any wholly-owned subsidiary of such person: i.e., a subsidiary substantially all of whose outstanding voting securities are owned by such person and/or its other wholly-owned subsidiaries; (ii) any transaction between two or more wholly-owned subsidiaries of any person; or (iii) the redemption or other acquisition of securities from the public, or the sale or other disposition of securities to the public, by the issuer of such securities.

2. The term "acquisition" includes every purchase, acquisition by lease, exchange, merger, consolidation, succession or other acquisition; provided that such term does not include the construction or development of property or the acquisition of materials for such purpose. The term "disposition" includes every sale, disposition by lease, exchange, merger, consolidation, mortgage, or hypothecation of assets, assignment, whether for the benefit of creditors or otherwise, abandonment, destruction, or other disposition.

3. An acquisition or disposition shall be deemed to have occurred when the parties to the transaction enter into a written agreement pursuant to which it is to be effected, even though the subsequent approval of security holders or a government agency may be required. Any failure to consummate a reported acquisition or disposition shall be deemed a disposition or acquisition for the purpose of this item.

4. An acquisition or disposition shall be deemed to involve a significant amount of assets if--

(i) the value of such assets (less any valuation or qualifying reserves) as shown by the books of the persons disposing of such assets, or the amount of consideration given or received therefor, including liabilities assumed or to be discharged by the person acquiring the assets or the fair value of securities given or received for such assets, exceeded 10 percent of the total assets shown by the latest consolidated balance sheet of the registrant and its subsidiaries, as of a date prior to the transaction, which has been filed with the Commission, or if a consolidated balance sheet has not been filed, by the latest balance sheet of the registrant, as of a date prior to the transaction, which has been filed with the Commission; or

(ii) it involved the acquisition or disposition of a business whose gross revenues for its last fiscal year exceeded 10 percent of the aggregate gross revenues shown by the latest consolidated profit and loss statement of the registrant and its subsidiaries filed with the Commission for a full fiscal year prior to the transaction or, if a consolidated profit and loss statement has not been filed, by the latest profit and loss statement of the registrant filed with the Commission for a full fiscal year prior to the transaction.

In Computing the foregoing percentages, all related transactions contemporaneously negotiated among the respective parties and their affiliates shall be included.

5. The acquisition or disposition of securities shall be deemed the acquisition or disposition of all of the assets of the issuer of such securities if it results in the acquisition or disposition of control of such issuer.

6. Where assets are acquired or disposed of through the acquisition or disposition of control of a person, the person from whom such control was acquired or to whom it was disposed of shall be deemed the person from whom the assets were acquired or to whom they were disposed of, for the purposes of this item. Where such control was acquired from or disposed of to not more than five persons, their names shall be given, otherwise it will suffice to identify in an appropriate manner the class of such persons.

7. Attention is directed to the requirements of Part III.

Item 4. Increase in Amount of Equity Securities Outstanding.

If the amount of equity securities of the registrant outstanding has been increased through the issuance of any new class of securities or through the issuance or reissuance of any additional securities of a class outstanding, furnish the following information:

(a) Title of the class, the amount outstanding as last previously reported, and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction or transactions resulting in the increase and a statement of the aggregate sale price, aggregate selling expense, and net proceeds to the registrant. If securities are issued for a consideration other than cash, state the nature and aggregate amount of any such other consideration received or to be received by the registrant.

(c) As to securities issued in a transaction involving a public offering, state the method of distribution employed. Give the names of the principal underwriters, if any, and state the nature of any material relationship between any of such underwriters and the registrant. State whether or not securities were registered under the Securities Act of 1933; if not, state the exemption claimed and the facts relied upon to make the exemption available.

(d) As to securities issued in a transaction not involving any public offering, for which exemption from registration is claimed under Section 4(2) of the Securities Act of 1933, (1) state the approximate number of persons to whom the securities were offered and the number of purchasers, and (2) describe the class of persons who purchased the securities.

(e) Give a reasonably itemized statement of the purposes, so far as determinable, for which the net proceeds have been or are to be used and the approximate amount used or to be used for each such purpose.

Instructions. 1. No report need be made with respect to the granting of qualified, restricted or other nontransferable options to purchase equity securities of the registrant.

2. This item includes the reissuance of treasury securities and securities held for the account of the issuer thereof. The extension of the maturity date of indebtedness shall be deemed to be the issuance of new indebtedness for the purpose of this item. In the case of such an extension, the percentage shall be computed upon the basis of the principal amount of the indebtedness extended.

3. If the securities referred to in answer to this item materially limit or qualify the rights evidences by any class of registered securities, appropriate disclosure of such limitation or qualification shall be set forth in answer to Item 9.

Item 5. Decreases in Amount of Equity Securities Outstanding.

If the amount of any class of equity securities of the registrant outstanding has been decreased through one or more transactions furnish the following information:

(a) Title of the class, the amount outstanding as last previously reported, and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction or transactions involving the decrease and a statement of the aggregate amount of cash or the nature and aggregate amount of any other consideration paid or to be paid by the registrant in connection with such transaction or transactions.

(c) In the case of equity securities other than convertible preferred stock or convertible debt securities, (1) a statement of the purpose for which the decrease was effected and a description of any plan or program pursuant to which additional decreases may be made, and (2) the name and relationship to the registrant, if any, of the person or persons from whom the securities were acquired, if acquired otherwise than by purchase in the open market.

Instructions. No report need be made with respect to decreases in outstanding qualified, restricted, or other non-transferable options.

Item 6. Increase in Amount of Outstanding Debt Securities of Registrant, Its Majority-Owned Subsidiaries and Fifty-Percent-Owned Persons.

If the amount of outstanding debt securities of the registrant and its majority-owned subsidiaries and fifty-percent-owned persons has been increased and the principal amount of all such increases not previously reported exceeds 5 percent of the total assets of the registrant and its consolidated subsidiaries prior to the issuance of the securities, furnish information with respect to such increase comparable to that specified in paragraph (a) to (e), inclusive, of Item 4.

Instructions. 1. Instructions 2 and 3 to Item 4 shall apply to this item.

2. No report need be made under this item with respect to the following:

(a) Increases resulting from the issuance of securities to the registrant by any of its wholly-owned subsidiaries, or by the registrant or a wholly-owned subsidiary to a wholly-owned subsidiary. A report shall be made, however, in the event of the transfer of such securities to any person other than the registrant or a wholly-owned subsidiary.

(b) Increases resulting from the issuance of securities by a subsidiary which is required to file, and duly files, a report with respect to the issuance of such securities.

(c) Increases in convertible debt securities with respect to which information is given in answer to Item 4.

3. Information is to be included as to all indebtedness owed to banks, insurance companies, finance companies or other persons, which is evidenced by one or more bonds, debentures, notes or other evidence of indebtedness, except that information need not be given as to notes, drafts, bills of exchange or bankers' acceptances which mature not later than one year from the date of issuance, if the effective cost per annum of the usable net proceeds is not in excess of 1 1/2 times the current prime rate of interest of commercial banks as published in the Federal Reserve Bulletin, or in the case of securities issued in a foreign currency, is not in excess of the rate prevailing in that country.

4. A guarantee of indebtedness for money borrowed shall be deemed a security for the purpose of this item. However, no report need be made under this item with respect to the guarantee of indebtedness of a wholly-owned subsidiary by the registrant or another such subsidiary.

5. Total assets of the registrant and its consolidated subsidiaries shall be computed on the basis of the latest balance sheet filed with the Commission.

Item 7. Decrease in Amount of Outstanding Debt Securities of Registrant, its Majority-Owned Subsidiaries and Fifty-Percent-Owned Persons.

If the amount of outstanding debt securities of the registrant and its majority-owned subsidiaries and fifty-percent-owned persons has been decreased through one or more transactions and the aggregate amount of all such decreases not previously reported exceeds 5 percent of the total assets of the registrant and its consolidated subsidiaries, furnish the following information:

(a) Title of the class, the amount outstanding as last previously reported and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction or transactions involving the decrease and a statement of the aggregate amount of cash or the nature and aggregate amount of any other consideration paid or to be paid in connection with such transaction or transactions.

Instructions. 1. This item need not be answered with respect to the following:

(a) Decreases resulting from ordinary sinking fund operations or similar periodic decreases made pursuant to the terms of the constituent instruments;

(b) Decreases where the amount of all decreases not previously reported does not exceed \$50,000 face amount; or

(c) Decreases in convertible debt securities of the registrant with respect to which information is given in answer to Item 5.

2. Total assets of the registrant and its consolidated subsidiaries shall be computed upon the basis of the latest balance sheet filed with the Commission.

Item 8. Legal Proceedings.

(a) Briefly describe any material legal proceedings, not previously reported, other than ordinary routine proceedings incidental to the business, to which the registrant or any of its subsidiaries has become a party or of which any of their property has become subject. Include the name of the court or governmental agency in which the proceedings were instituted, the date instituted and the principal parties thereto.

(b) If any such proceeding previously reported has been terminated, any materially important judgment has been entered in the proceeding, or any materially important settlement has been effected, identify the proceeding, and state the date and nature of such action and the general effect thereof with respect to the registrant and its subsidiaries.

Instructions. 1. If the business ordinarily results in actions for negligence or other claims, no such action or claim need be described unless it departs from the normal kind of such actions.

2. No information need be given with respect to any proceeding which involves primarily a claim for damages if the amount involved exclusive of interest and costs, does not exceed 15 percent of the current assets of the registrant and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

3. Notwithstanding Instruction 1 and 2, any bankruptcy, receivership, or similar proceeding with respect to the registrant or any of its significant subsidiaries shall be described. Any proceeding to which any director, officer or affiliate of the registrant, any person who owns of record or is known by registrant to own beneficially, more than 10 percent of any class of voting securities of the registrant, or any associate of any director, officer or security holder, is a party, or has a material interest, adverse to the registrant or any of its subsidiaries, shall also be described.

4. Proceedings by a government agency need be reported only when they are formal public proceedings initiated by a published order for one or more specific purposes. Rate proceedings need not be reported unless they are of material importance in relation to the registrant's total business.

Item 9. Changes in Registered Securities.

(a) If the constituent instruments defining the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved and state briefly the general effect of such modification upon the rights of holders of such securities.

(b) If the rights evidenced by any class of registered securities have been materially limited or qualified by the issuance or modification of any other class of securities, state briefly the general effect of the issuance or modification of such other class of securities upon the rights of the holders of the registered securities.

Instruction. Working capital restrictions and other limitations upon the payment of dividends are to be reported hereunder.

Item 10. Changes in Security for Registered Securities.

If there has been a material withdrawal or substitution of assets securing any class of registered securities of the registrant, furnish the following information:

- (a) Give the title of the securities.
- (b) Identify and describe briefly the assets involved in the withdrawal or substitutions.
- (c) Indicate the provisions in the underlying indenture, if any, authorizing the withdrawal or substitution.

Instruction. This item need not be answered where the withdrawal or substitution is made pursuant to the terms of an indenture which has been qualified under the Trust Indenture Act of 1939.

Item 11. Defaults Upon Senior Securities.

(a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the registrant or any of its significant subsidiaries exceeding 5 percent of the total assets of the registrant and its consolidated subsidiaries, identify the indebtedness and state the nature of the default. In the case of such a default in the payment of principal, interest or a sinking or purchase fund installment, state the amount of the default and the total arrearage on the date of filing this report.

(b) If any event occurred which would have resulted in a material default as described in paragraph (a) above except for a waiver of such default and/or an amendment of the loan agreement, briefly describe such event and the terms of the waiver and/or amendment, and include such amendment as an exhibit hereto.

(c) If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the registrant which is registered or which ranks prior to any class of registered securities, or with respect to any class of preferred stock of any significant subsidiary of the registrant, give the title of the class and state the nature of the arrearage or delinquency. In the case of an arrearage in the payment of dividends, state the amount and the total arrearage on the date of filing this report.



Instructions. 1. This item need not be answered as to any default or arrearage with respect to any class of securities all of which is held by, or for the account of, the registrant or its totally-held subsidiaries.

2. Paragraphs (a) and (b) refer only to events which have become defaults under the governing instruments; i.e., after the expiration of any period of grace and compliance with any notice requirements.

Item 12. Revaluation of Assets or Restatement of Capital Share Account.

(a) If there has been a material revaluation of the assets of the registrant or any of its significant subsidiaries involving a write-up, write-down, write-off or abandonment, state the date of the revaluation, the amount involved and the accounts affected, including all related entries. If any adjustment was made in any related reserve account in connection with the revaluation, state the account and amounts involved and explain the adjustment.

(b) If there has been a material restatement of the capital share account of the registrant resulting in a transfer from capital share liability to surplus or reserves, or vice versa, state the date, purpose and amount of the restatement and give a brief explanation of all related entries in connection with the restatement.

Item 13. Options to Purchase Securities.

If any options to purchase securities of the registrant or any of its subsidiaries from the registrant or any of its subsidiaries have been granted or extended and the amount of securities called for by all such options the granting or extension of which has not been previously reported, exceeds 5 percent of the outstanding securities of the class, furnish the following information: (i) the title and amount of securities called for, (ii) the prices, expiration date and other material provisions, (iii) the consideration received for the granting or extension thereof, (iv) the market value of the securities called for at the granting or expiration date and (v) a statement whether or not such securities have been or are required to be registered under the Securities Act of 1933 and, if not, a statement of the exemption claimed, the number of persons to whom options were issued and all other facts relied upon to establish the exemption claimed.

Instruction. In case a number of options are outstanding having different prices and expiration dates, the options may be grouped by prices and dates. If this produces more than five separate groups then there may be shown only the range of the expiration dates and the average purchase prices, i.e., the aggregate purchase price of all securities of the same class called for by all outstanding options to purchase securities of that class divided by the number of securities of such class so called for.

Item 14. Submission of Matters to a Vote of Security Holders.

If any matter has been submitted to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

(a) The date of the meeting and whether it was an annual or special meeting. If no meeting was involved, state the date on which the matter was submitted to a vote of security holders.

(b) If the meeting involved the election of directors, state the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

(c) Briefly describe each other matter voted upon at the meeting and state the number of affirmative votes and the number of negative votes cast with respect to each such matter.

Instructions. 1. If any matter has been submitted to a vote of security holders otherwise than at a meeting of such security holders, corresponding information with respect to such submission shall be furnished. The solicitation of any authorization or consent (other than a proxy to vote at a stockholders' meeting) with respect to any matter shall be deemed a submission of such matter to a vote of security holders within the meaning of this item.

2. This item need not be answered with respect to the election of directors if (i) the names of the management's nominees were set forth in a proxy statement or information statement sent to security holders pursuant to Section 14(a) or (c) of the Act, (ii) there was no solicitation in opposition to such nominees and (iii) all such nominees were elected.

3. Paragraph (c) need not be answered as to procedural matters or as to the selection or approval of auditors.

4. If the issuer has published a report containing all of the information called for by this item, the item may be answered by a reference to the information contained in such report, provided copies of such report are filed as an exhibit to the report on this form.

Item 15. Material Amendments to Registrant's Charter or By laws.

State the general effect of any material amendment to the registrant's charter or by laws which has been made and with respect to which information is not required by any other item of this form.

Item 16. Other Materially Important Events.

The registrant may, at its option, report under this item any events, with respect to which information is not otherwise called for by this form, which the registrant deems of material importance to security holders.

Item 17. Financial Statement and Exhibits.

List separately the financial statement and exhibits, if any, filed as a part of this report, as required by Parts II, III and IV.

PART II. SUMMARIZED FINANCIAL INFORMATION

General Instructions as to Financial Information

1. Persons for Whom the Information is to be Given.

(a) The required information is to be given as to the registrant or, if the registrant includes consolidated financial statements in its annual reports filed with the Commission it shall be given for the registrant and its consolidated subsidiaries. If the information is given for the registrant and its consolidated subsidiaries, it need not be given separately for the registrant. See Rule 13a-11 or 15d-11 regarding exemptions from filing summarized financial information.

(b) The required information shall also be given separately as to each unconsolidated subsidiary or fifty percent owned person or group of such subsidiaries and fifty percent owned persons for which separate individual or group statements are required to be included in the registrant's annual reports filed with the Commission. It need not be furnished, however, for any such unconsolidated subsidiary or person which would not be required pursuant to Rule 13a-11 to file quarterly financial information if it were a registrant.

2. Preparation of Financial Information.

The form requires only the items of information specified. The information is not required to be certified and may carry a notation to that effect and any other qualification considered necessary or appropriate. Amounts may be stated in thousands of dollars (000 omitted) provided it is stated that such has been done. Losses or other negative amounts shall be indicated clearly in the caption and the amounts shown in parentheses.

3. Incorporation by Reference to Published Statements.

If the registrant makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a financial statement containing the information required by this form, the information

called for may be incorporated by reference to such published statement provided copies thereof are filed as an exhibit to the report on this form.

4. Delay in Filing Information.

The information required in A(b) above may be omitted with respect to foreign subsidiaries not consolidated if it is impracticable to furnish it within the time specified for filing the report, provided it is indicated that such information has been omitted and the omitted information is furnished by amendment when available. Apart from the foregoing, any request for extension of time for the filing of the report or the furnishing of any of the required information shall be made pursuant to Rule 12b-25.

5. Presentation of Financial Information.

(a) The summary of the results of operations called for by Part A below shall be furnished in the comparative columnar form, in the manner indicated, subject to appropriate variations to conform to the nature of the business, (1) for the interim period between the end of the last fiscal year and the end of the fiscal quarter, and (2) for the corresponding period of the preceding fiscal year.

(b) In the case of reports for the second and third fiscal quarters, a summary of results of operations may also be furnished at the option of the registrant for the most recent fiscal quarter and the corresponding period of the preceding fiscal year.

(c) For registrants having material seasonal cycles, or material variations in operating results from other causes, comparable figures may be given for the 12 months to the end of the period for which the report is filed and for the corresponding 12 months ending in the preceding fiscal year in addition to the information required by (a) above. For registrants engaged in the seasonal production and the seasonal sale of a single-crop agricultural commodity, the summary of operating results may include information for the 12 months ended with the current interim quarter, with comparative data for the corresponding period of the preceding fiscal year, in place of the year-to-date information specified by (a) above.

(d) If, during the current period specified in (a) above, the registrant or any of its consolidated subsidiaries, entered into a business combination treated for accounting purposes as a pooling of interest, the results of operations reported herein--for both the current year and the preceding year--shall reflect the combined results of the pooled businesses. Supplemental disclosure of the separate results of the combined entities for period prior to the combination may be desirable, with appropriate explanations.

(e) In case the registrant has disposed of any significant portion of its business or has acquired a significant amount of assets in a transaction treated for accounting purposes as a purchase, during any of the periods covered by the report, the effect thereof on revenues and net income--total and per share--for all periods shall be disclosed. (See Instruction 4 to Item 3 of Part I of this form.)

(f) The financial information to be included in this quarterly report shall be prepared in conformity with the accounting principles or practices, or methods of applying accounting principles or practices (including consolidation practices), reflected in the financial statements included in the annual report filed with the Commission for the preceding fiscal year; or any differences which have a material effect on the results of operations shall be noted and the effects thereof on this financial information reconciled or explained.

(g) Furnish any material information necessary to make the information called for not misleading, such as a statement that the results for interim periods are not necessarily indicative of results to be expected for the year, due to seasonal or other specified factors, or an explanation of any unusual increase or decrease in net sales or income.

(h) The financial information shall reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods. A statement to that effect shall be included. Such adjustments might include, for example, appropriate estimated provisions for bonus and profit sharing arrangements normally determined or settled at year-end.

(i) Any material retroactive prior period adjustment made during any period included in this report shall be disclosed, together with the effect thereof upon net income--total and per share-- of any prior period included herein and upon the balance of earned surplus. If results of operations for any period reported herein have been adjusted retroactively by such an item subsequent to the initial reporting of such period, similar disclosure of the effect of the change shall be made.

(j) The registrant may furnish any additional financial information related to the periods being reported on which, in the opinion of management, is of significance to investors, such as a statement of source and application of funds, the dollar amount of backlog of firm orders, and an explanation of commitments and contingent liabilities.

(k) The registrant shall file as an exhibit a statement setting forth in reasonable detail the computations of the earnings per share data (Caption 10 of Part A).

A. Summarized Financial Information

Company or group of companies for which report is filed:

Profit and Loss Information

For the \_\_\_\_\_ Months Ended:

	(Current Year)	(Preceding Year)
1. Gross sales less discounts, returns and allowances .....	\$ _____	\$ _____
2. Operating revenues .....	\$ _____	\$ _____

Instruction. If income is derived from both gross sales and operating revenues, captions 1 and 2 may be combined, provided the lesser amount is not more than 10 percent of the sum of the two captions.

3. Total of captions 1 and 2 .....	\$ _____	\$ _____
------------------------------------	----------	----------

Instruction. If the total of gross sales and operating revenues includes excise taxes in an amount equal to 10 percent or more of such total, the amount of such excise taxes shall be stated separately.

4. Costs and expenses --

(a) Cost of goods sold* .....	\$ _____	\$ _____
(b) Operating expenses* .....	\$ _____	\$ _____
(c) Selling, general and administrative expenses* ....	\$ _____	\$ _____
(d) Interest expense .....	\$ _____	\$ _____
(e) Other deductions, net* .....	\$ _____	\$ _____

Total costs and expenses .....	\$ _____	\$ _____
--------------------------------	----------	----------

5. Income (or loss) before taxes on income and extraordinary items ...	\$ _____	\$ _____
--	----------	----------

6. Provision for taxes on income .....	\$ _____	\$ _____
--	----------	----------

Instruction. If the provision for taxes on income includes any material provisions for deferred income taxes resulting from allocations, they shall be disclosed and

\* Items marked with an asterisk may be combined or omitted.

explained. The methods used (e.g., proportion of year expired, or estimated annual effective tax rate) in the allocation to the interim periods of the income tax effects of operating loss carry-backs, carry-forwards and the investment tax credit shall be described.

7. Income (loss) before extraordinary  
Items .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

8. (a) Extraordinary items, less  
applicable income tax .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

Instruction. State separately under this caption any material amounts of an unusual or non-recurring nature included in the determination of net income or loss during the period covered by the report. The amount of income tax applicable shall be disclosed.

(b) Minority interest .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

9. Net income (or loss) .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

10. Earnings per share data --

(a) Per share of common stock  
and common stock equivalent--

(1) Income before extraordinary  
items.....\$ \_\_\_\_\_ \$ \_\_\_\_\_

(2) Extraordinary items, net of  
tax.....\$ \_\_\_\_\_ \$ \_\_\_\_\_

(3) Net income.....\$ \_\_\_\_\_ \$ \_\_\_\_\_

(b) Per share of common stock,  
assuming dilution:

(1) income before extraordinary  
items .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

(2) extraordinary items, net of  
tax .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

(3) net income .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

11. Dividends declared, per share .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

Furnish, insofar as practicable in the manner described below, a summary of capitalization and stockholders' equity as at the end of the latest fiscal quarter.

B. Capitalization and Stockholders' Equity

<u>Debt</u>	<u>(Date)</u>	<u>Amount</u>
Short-term loans, notes, etc.		\$ _____
Long-term debt, including parenthetically portion due within one year (list separately convertible debt)		\$ _____
Total debt		\$ _____ _____
<u>Deferred credits</u>		\$ _____
<u>Stockholders' equity</u>		
	<u>Shares</u> <u>Outstanding</u>	<u>Amount</u>
Preferred stock (list separately convertible and non-convertible preferred stock)	_____	\$ _____
Common stock	_____	\$ _____
Capital in excess of par value		\$ _____
Earned surplus --		
Balance at beginning of current fiscal year		\$ _____
Prior period adjustments, if any (show credits (and charges) separately)		\$ _____
Net income (Item 9. above)		\$ _____
Dividends (state cash and stock divi- dends on common stock sep- arately, indicating amount per share--dividends on pre- ferred stocks may be shown in one amount)		\$( _____ )



Other credits (charges) (explain nature and amounts)	\$ _____
Balance at end of interim period	\$ _____
Treasury stock (identify class of security, number of shares and basis at which stated)	\$( _____ )
Total stockholders' equity	\$ _____

Instructions

(1) The form and content shall conform generally with that in the balance sheet and notes thereto appearing in the annual report filed with the Commission.

(2) Minority interests shall be stated separately.

(3) The number of shares of each class of security reserved for conversion, warrants, options and other rights shall be separately disclosed.

\* \* \* \* \*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

\_\_\_\_\_  
(Registrant)

Date  
\_\_\_\_\_

\_\_\_\_\_  
(Signature)\*

\*Print name and title of the signing officer under his signature.

PART III. FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED

1. Businesses for which Statements are Required.

The financial statements specified below shall be filed for any business the acquisition of which is required to be described in answer to Item 3 above.

2. Statements Required.

(a) There shall be filed a balance sheet of the business as of a date reasonably close to the date of acquisition. This balance sheet need not be certified, but if it is not certified, there shall also be filed a certified balance sheet as of the close of the preceding fiscal year.

(b) Profit and loss statements of the business shall be filed for each of the last three full fiscal years and for the period, if any, between the close of the latest of such fiscal years and the date of the latest balance sheet filed. These profit and loss statements shall be certified up to the date of the certified balance sheet.

(c) If the business was in insolvency proceedings immediately prior to its acquisition, the balance sheets required shall be certified to the close of the latest full fiscal year.

(d) Except as otherwise provided in this instruction, the principles applicable to a registrant and its subsidiaries with respect to the filing of individual, consolidated and group statements in an original registration statement or an annual report shall be applicable to the statements required by this instruction.

3. Application of Regulation S-X.

Regulation S-X governs the certification, form and content of the balance sheets and profit and loss statements required by the preceding instruction, specifies the basis of consolidation thereof, and prescribes the statements of surplus to be filed in support thereof. No supporting schedules need be filed.

4. Filing of Other Statements in Certain Cases.

The Commission may, upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Commission may also by informal written notice require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person for which

financial statements are required, or whose statements are otherwise necessary for the protection of investors.

PART IV. EXHIBITS.

Subject to Rule 12b-32 as to incorporation by reference, the following documents shall be filed as exhibits to this report, and a list of all exhibits so filed shall be included:

1. Copies of any contract, plan or arrangement for any acquisition of disposition described in answer to Item 3, including any plan of re-organization, readjustment, exchange, merger, consolidation or succession in connection therewith. See also Instruction 4 below.
2. Copies of all constituent instruments defining the rights of the holders of any new class of securities referred to in answer to Item 4 or 6.
3. Copies of any judgment or any document setting forth the terms of any settlement described in answer to Item 8. See also Instruction 4 below.
4. Copies of the amendments to all constituent instruments and other documents described in answer to Item 9.
5. Copies of the plan pursuant to which the options referred to in answer to Item 13 were granted or, if there is no such plan, specimen copies of the options.
6. Copies of all amendments to any documents filed as exhibits to previous reports on this form pursuant to Instructions 1, 3 or 5 above.
7. Copies of the text of any proposal described in answer to Item 14.
8. Copies of any material amendments to the registrant's charter or by laws described in answer to Item 15.

For RELEASE Monday, September 15, 1969

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C.

SECURITIES EXCHANGE ACT OF 1934  
Release No. 8684

PROPOSAL TO ADOPT FORM 7-Q REPORT PURSUANT TO  
SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND TO RESCIND FORMS 7-K AND 8-K  
UNDER THAT ACT

NOTICE IS HEREBY GIVEN that the Securities and Exchange Commission has under consideration a proposal to adopt Form 7-Q under the Securities Exchange Act of 1934 ("Act") to replace Forms 7-K and 8-K under the Act which would be rescinded. The proposed form would be required to be filed by certain real estate companies pursuant to Rule 13a-15 or 15d-15 under the Act. The Commission has proposed revisions of those rules which would require the filing of the proposed form. (See Securities Exchange Act Release No. 8680.) Generally the proposed form would be filed by registrants which have securities registered under Section 12 of the Act and which are either real estate investment trusts, as defined in Section 356 of the Internal Revenue Code, or a substantial portion of whose business is acquiring interests in real estate and which as a matter of policy or practice make cash distributions to shareholders from any source other than current or retained earnings. These are so called "cash flow real estate companies" that are now required to file quarterly reports on Form 7-K and Current Reports on Form 8-K.

Real estate companies other than cash flow companies would file quarterly reports on the proposed new Form 10-Q. Investment companies registered under the Investment Company Act of 1940 would be exempt from filing quarterly reports on Form 7-Q since they file quarterly reports pursuant to Rules 13a-12 and 15d-12. Partnerships all of whose properties are held under long term net lease to other persons would file reports on Form 7-Q but would not be required to file the financial information called for by Part II of the form.

This proposal is part of a program to improve disclosure made under the Act which includes revision of Form 10, the principal form for registration under Section 12 of the Act, and Form 10-K, the principal form for annual reports under the Act, and the adoption of a new report on Form 10-Q. (See Securities Exchange Act Release Nos. 8680-8683.) The proposal was generated by a report to the Commission by a Special Disclosure Policy Study Group drawn from its staff, entitled "Disclosure to Investors-- A Reappraisal of Administrative Policies under the 1933 and 1934 Acts."

It appears to the Commission that Current Reports on Form 8-K are not widely used by investors and their advisors. This may be because they are not filed at regular intervals, and they are not truly current reports,

since they need not be filed until 10 days after the end of a month in which a reportable event occurred. The Commission considered requiring prompt reporting of an event within a few days of its occurrence. However, this appears difficult to administer and unduly burdensome and duplicative of the timely disclosure policies of the major stock exchanges and otherwise pursued by many companies. As an alternative, the Commission is proposing to adopt regular quarterly report forms which will provide detailed information as a back up to information released pursuant to timely disclosure policies. This report would be combined with a quarterly report which, for cash flow real estate companies would be substantially the same as that presently required by Form 7-K.

Many publicly held companies are releasing condensed quarterly financial information, and the major stock exchanges require publication of such information by listed companies. The standards set by the exchanges, however, are minimal. The proposed new Form 7-Q for cash flow real estate companies would provide for better financial reporting by such companies.

The proposed Form 7-Q is in four parts. Parts I, III and IV contain the substance of the disclosure items, financial statements and exhibits in present Form 8-K with some revisions noted below. Part II, which contains summarized financial information similar to that required by present Form 7-K, would only be required to be filed for the first three quarters of a registrant's fiscal year, although the Commission is considering whether it should also be required for the fourth quarter. The information need not be certified and Part II would not be deemed filed for the purposes of the liability provisions of Section 18 of the Act. A detailed analysis of the proposed form has been provided to assist interested persons in considering the proposal.

#### Analysis of Form 7-Q

The following analysis is of necessity somewhat simplified, and reference is made to the proposed form itself for a more complete indication of its requirements.

#### Filing Date

The proposed Form 7-Q for the first three quarters of a registrant's fiscal year would be filed not later than 45 days after the end of each quarter. Form 8-K is presently required to be filed not later than 10 days after the end of a month in which a reportable event occurs. Form 7-K is now required to be filed not later than 60 days after the end of the first three quarters and 120 days after the close of a fiscal year. The Commission believes that accounting practices have developed to the extent that it will not be burdensome for a company to provide financial information within 45 rather than 60 days.

The report for the fourth quarter would not contain summarized financial information (Part II) because the annual report on Form 10-K would contain certified financial statements, including a statement of source and application of funds which for cash flow real estate companies would be prepared on the same basis as the cash flow information required by Form 7-Q. The report for the fourth quarter would be required to be filed not later than 10 days after the end of the fourth quarter. However, as indicated above, the Commission is considering the advisability of requiring summarized financial information for the fourth quarter as well as for the first three quarters.

There is a significant exception to the foregoing. When a significant acquisition or disposition of assets occurs, the information specified in Item 3 of the proposed form should be filed not later than 10 days after the acquisition or disposition occurs.

Check List of Material Events to be Reported

For convenience of persons not familiar with filing Form 7-Q, a check list of significant events which should be reported is included in the instructions.

Item 1. Changes in Control of Registrant

This item expands the present Item 1 of Form 8-K to require disclosure of contracts or arrangements which might at a subsequent date result in a change in control of the registrant.

Item 2. Changes in Management of Registrant

This item is not in Form 8-K. It requires disclosure of the identities of new directors and executive officers of the registrant if not previously reported. It also requires a brief account of the new director's or executive officer's business experience during the preceding 10 years. For an executive officer this information should indicate whether he was convicted of a crime or is a defendant in a criminal proceeding, was an officer of a company subject to bankruptcy or similar proceedings, or is subject of a court order enjoining him from engaging in certain activities. Certain of the information relating to executive officers may be omitted on the grounds that it is not material, if it is furnished as supplemental information together with an explanation of the omission.

The Commission believes that such detailed information as to the backgrounds of executive officers is material to an evaluation of their performance in managing the operations of the registrant.

Item 3. Acquisition and Disposition of Assets

This item requires substantially the same information as required by Item 2 of present Form 8-K with several exceptions. Acquisition or disposition of assets by fifty-percent-owned persons would be required to be reported, since such transactions may have a material effect on the business of the registrant. The material relationship between a person from whom assets were acquired or to whom they were sold with any person owning beneficially more than 10 percent of the outstanding voting securities of the registrant is required to be disclosed. Finally the standard for measuring the materiality of the transaction in the proposed Form 7-Q is 10 percent of certain accounts of the registrant rather than 15 percent as it is in Form 8-K.

As previously discussed, reports pursuant to Item 3 are required not later than 10 days after the occurrence of the event. The Commission believes that information of significant acquisitions or dispositions of assets is of such material importance to an understanding of the business of a registrant as to require it to be reported reasonably promptly.

Item 4. Increases in Amount of Equity Securities Outstanding

Item 5. Decreases in Amount of Equity Securities Outstanding

Item 6. Increases in Amount of Outstanding Debt Securities of Registrant, Its Majority-Owned Subsidiaries and Fifty-Percent-Owned Persons

Item 7. Decreases in Amount of Outstanding Debt Securities of Registrant, Its Majority-Owned Subsidiaries and Fifty-Percent-Owned Persons

These four items are substantially the same as Items 7 and 8 of present Form 8-K with some significant exceptions. For convenience separate items are proposed for debt and equity securities.

The most significant change from Form 8-K is that all increases and decreases in equity securities must be reported. Form 8-K now requires a report only when the increase not previously reported exceeds 5 percent of the outstanding securities of a class. The Commission believes that information concerning all increases in equity securities is necessary, particularly for understanding the registrant's financial statements. It should not be burdensome for registrants to report this information on a regular quarterly basis. Moreover, the Commission is proposing to eliminate Item 2 of present Form 10-K which requires that this information be reported on an annual basis.

The more significant change relating to increases or decreases in outstanding debt securities is the requirement that such changes also be reported for majority-owned subsidiaries and fifty-percent-owned persons. This information is necessary for an understanding of the debt structure of the total enterprise.

Item 8. Legal Proceedings

This item requires substantially the same disclosure as Item 3 of present Form 8-K, except it has been revised to require disclosure of certain administrative proceedings before government agencies.

Item 9. Changes in Registered Securities

This item requires disclosure of changes in registered securities identical with Item 4 of Form 8-K.

Item 10. Changes in Security For Registered Securities

Item 11. Defaults Upon Senior Securities

Item 12. Revaluation of Assests or Restatement of Capital Share Account

Item 13. Options to Purchase Securities

Item 14. Submission of Matters to a Vote of Security Holders

Item 16. Other Materially Important Events

Item 17. Financial Statements and Exhibits

These items are substantially unchanged from Items 5, 6, 10, 9, 11, 12 and 13, respectively, of Form 8-K.

Item 15. Material Amendments to Registrant's Charter or By-Laws

This item is new. It requires a statement as to the general effect of material changes in a registrant's charter or by-laws not reported in response to any other item of the Form.

Part III Financial Statements of Businesses Acquired

Part IV Instructions As To Exhibits

Parts III and IV of Form 7-Q are substantially the same as the corresponding parts of Form 8-K.



Part II Summarized Financial Information

The requirements of Part II are substantially similar to those in Form 7-K.

General Instruction E refers to Rule 12b-23 which would provide, in effect, that if the registrant sends a quarterly report to its security holders which meets the requirements of Part II of the proposed form the report sent to security holders may be incorporated by reference. It should be noted that a copy of any material incorporated by reference in response to any item or part of the proposed form must be filed with the report.

The information required by Part II need not be certified, but should be prepared in accordance with generally accepted accounting principles on a consistent basis. The summarized financial information required by the report is substantially the same as that now required by Form 7-K except for the addition of capitalization and stockholders equity information. The format has been revised to correspond to the format of proposed Form 10-Q more closely, and certain instructions have been revised to make them more specific. In addition information must be provided concerning certain 50% owned persons whose operations may materially affect the entire enterprise.

All interested persons are invited to submit views and comments on the proposed form. Written statements of views and comments should be submitted to the Securities and Exchange Commission, Washington, D. C. 20549, on or before October 30, 1969. All such communications will be available for public inspection.

By the Commission.

Orval L. DuBois  
Secretary

(PRELIMINARY DRAFT)

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.  
20549

FORM 7-Q

FOR REPORTS UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934, FILED BY CERTAIN REAL ESTATE  
COMPANIES PURSUANT TO RULE 13a-15 OR 15d-15

GENERAL INSTRUCTIONS

A. Rule as to Use of Form 7-Q.

(a) Form 7-Q shall be used for reports under Section 13 or 15(d) of the Securities Exchange Act of 1934, filed pursuant to Rule 13a-15 or 15d-15 by the real estate companies specified in those rules.

(b) A report on this form shall be filed within 45 days after the end of each of the first three fiscal quarters of each fiscal year, and within 10 days after the end of the fourth fiscal quarter of each fiscal year. Reports for the fourth fiscal quarter need not include the financial information called for by Part II of the form, Summarized Financial Information.

(c) A report limited to the information called for by Item 3, including the related exhibit called for by Instruction 1 of the Instructions as to Exhibits (Part IV, below), shall be filed within 10 days after the occurrence of any event specified in Item 3.

B. Application of General Rules and Regulations.

(a) The General Rules and Regulations under the Act contain certain general requirements which are applicable to reports on any form. These general requirements should be carefully read and observed in the preparation and filing of reports on this form.

(b) Particular attention is directed to Regulation 12B which contains general requirements regarding matters such as the kind and size of paper to be used, the legibility of the report, the information to be given whenever the title of securities is required to be stated, and the filing of the report. The definitions contained in Rule 12b-2 should be especially noted. See also Regulations 13A and 15D.

C. Preparation of Report.

(a) This form is not to be used as a blank form to be filled in, but only as a guide in the preparation of the report on paper meeting the requirements of Rule 12b-12. The report shall contain the numbers and captions of all items to which answers are furnished, but the text of such items and the instructions thereunder shall be omitted. If no answer is required to any item or items by reason of the fact that no change has occurred calling for the submission of an answer, so state, identifying such items by number only.

(b) Each answer furnished shall be complete, provided that a cross reference to one or more other items in the report may be used to avoid reporting a particular transaction more than once.

(c) Attention is directed to Rule 12b-20 which states: "In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading."

D. Signature and Filing of Reports.

There shall be filed with the Commission three complete copies of the report, including financial statements, if any, exhibits and all other papers and documents filed as a part thereof, and five additional copies which need not include exhibits. At least one complete copy of the report, including financial statements, exhibits and all other papers and documents filed as a part thereof, shall be filed with each exchange on which any class of securities of the registrant is listed and registered. At least one complete copy of the report filed with the Commission and one such copy filed with each such exchange shall be manually signed. Copies not manually signed shall bear typed or printed signatures.

E. Incorporation by Reference.

Attention is directed to Rule 12b-23 which provides for the incorporation by reference of information contained in certain documents in answer or partial answer to any item of a report.

F. Check List of Material Events to be Reported.

For the convenience of those not familiar with Form 7-Q the following check list may be of assistance in locating the items in the form which require, upon the occurrence of certain material events, the furnishing of specific information:

	<u>Item</u>
Acquisition, significant*	3
Articles of Incorporation, amendment affecting rights of security holders	9
Assets, acquisition of significant amount*	3
Assets, disposition of significant amount*	3
Assets, revaluation of	12
By Laws -- amendment generally	15
Capital account, restatement of	12
Capital, transfer to surplus	12
Charter, amendment affecting rights of security holders	9
Charter, amendment generally	15

\* See Instruction 4 to Item 3 for test of a "significant" amount.

	<u>Item</u>
Contract which may result in change in control of registrant	1
Control, change in	1
Control group, change in	1
Debt, default in respect of	11
Debt, default in respect of, waived by lender	11
Debt, decrease in	7
Debt, increase in	6
Director, new	2
Dividends, arrearage	11
Equity securities, decrease in	5
Equity securities, increase in	4
Judgment, litigation	8
Legal proceedings, commencement of	8
Legal proceedings, termination of	8
Officer, new	2
Options, granted or extended	13
Preferred stock, default in respect of	11
Preferred stock, dividend arrearage	11
Securities, new	4, 6
Security for debt, withdrawal or substitution of	10
Security holders, vote of	14
Security holders, modification of rights of	9
Security holders, rights of affected by issuance or modification of another class of securities	9
Settlement, litigation	8
Surplus, transfer to capital	12

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.  
20549

FORM 7-Q

REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934, FILED PURSUANT TO  
RULE 13a-15 OR 15d-15

For Quarter Ended \_\_\_\_\_: Commission file number \_\_\_\_\_  
(If filed pursuant to General Instruction A(c): Date of event \_\_\_\_\_)

---

(Exact name of registrant as specified in its charter)

---

(State or other jurisdiction of  
incorporation or organization)

---

(I.R.S. Employer  
Identification No.)

---

(Address of principal executive offices)

---

(Zip Code)

PART I. EVENTS TO BE REPORTED

Item 1. Changes in Control of Registrant.

(a) If any person has become a parent of the registrant, as defined in Rule 12b-2 under the Act, give the name of such person, the date and a brief description of the transaction or transactions by which the person became such a parent and the percentage of voting securities of the registrant owned by such parent or other basis of control by such parent over the registrant. Include the consideration involved in the transaction and any material related contractual arrangements.

(b) If any person has ceased to be a parent of the registrant, give the name of such person and the date and a brief description of the transaction or transactions by which the person ceased to be a parent.

(c) If to the knowledge of the registrant any person has entered into any contract or arrangement, including any pledge of securities of the registrant or any of its parents, the operation of the terms of which may at a subsequent date result in a change in control of the registrant, describe such contract or arrangement, including the names of the parties thereto and the amounts of securities or other consideration involved.

Item 2. Changes in Management of Registrant.

(a) If any person has become a director of the registrant, state his name and, to the extent not previously reported in a definitive proxy statement or information statement filed pursuant to Regulation 14A or 14C, give a brief account of his business experience during the past ten years, including his principal occupations or employments.

(b) If any person has become a director of the registrant, otherwise than by election by security holders, pursuant to any arrangement or understanding between such person and any other person or persons, except (i) the directors of the registrant acting solely in their capacity as such or (ii) any person currently identified in reports filed with the Commission as a parent of the registrant, name such other person or persons and describe briefly such arrangement or understanding.

(c) If any person has become an executive officer of registrant, state his name, indicate all positions and offices he holds, and give a brief account of his business experience during the past ten years, including his principal occupations or employments.

(d) If any person has ceased to be a director or executive officer of the registrant, state his name, the position terminated, and the date of such termination.

Instruction. 1. The term "executive officer" means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration, or finance) and any other officer who performs similar policy-making functions for the registrant.

2. Occurrence of an event referred to in (A), (B) or (C) below during the past 10 years may be material to evaluation of the ability and integrity of registrant's management. If so, appropriate disclosure should be made. If such an event has occurred but disclosure thereof is omitted on the ground that it is not material, registrant should furnish, as supplemental information and not as a part of this report (1) a description of the omitted information and (2) a statement of the reasons for its omission:

(A) A petition under the Bankruptcy Act or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for business or property of, any person named in answer to (a) or (c) above, or any partnership in which he was a general partner at or within 2 years before the time of such filing, or any corporation or business association of which he was an executive officer at or within 2 years before the time of such filing;

(B) Any person named in answer to (a) or (c) above was convicted in a criminal proceeding (excluding traffic violations and other minor offenses) or is a defendant in a criminal proceeding (Excluding traffic violations and other minor offenses) which is presently pending; or

(C) Any person named in answer to (a) or (c) above was the subject of any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, underwriter, broker, or dealer in securities, or an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, or was subject to any order of a Federal or State authority barring or suspending for more than sixty days the right of such person to be engaged in any such activity which order remains in effect.

Item 3. Acquisition or Disposition of Assets.

If the registrant or any of its majority-owned subsidiaries or fifty-percent-owned persons has acquired or disposed of a significant amount of assets, otherwise than in the ordinary course of business, state the date and manner of acquisition or disposition and a brief description of the

assets involved, the nature and amount of consideration given or received therefor, the accounting treatment thereof, the principle followed in determining the amount of such consideration, the identity of the persons from whom the assets were acquired or to whom they were sold, and the nature of any material relationship between such persons and the registrant or any of its affiliates, any director of or officer of the registrant, any associate of such director or officer, or any person owning beneficially more than 10 percent of the outstanding voting securities of the registrant.

Instructions. 1. No information need be given as to (i) any transaction between any person and any wholly-owned subsidiary of such person: i.e., a subsidiary substantially all of whose outstanding voting securities are owned by such person and/or its other wholly-owned subsidiaries; (ii) any transaction between two or more wholly-owned subsidiaries of any person; or (iii) the redemption or other acquisition of securities from the public, or the sale or other disposition of securities to the public, by the issuer of such securities.

2. The term "acquisition" includes every purchase, acquisition by lease, exchange, merger, consolidation, succession or other acquisition; provided that such term does not include the construction or development of property or the acquisition of materials for such purpose. The term "disposition" includes every sale, disposition by lease, exchange, merger, consolidation, mortgage, or hypothecation of assets, assignment, whether for the benefit of creditors or otherwise, abandonment, destruction, or other disposition.

3. An acquisition or disposition shall be deemed to have occurred when the parties to the transaction enter into a written agreement pursuant to which it is to be effected, even though the subsequent approval of security holders or a government agency may be required. Any failure to consummate a reported acquisition or disposition shall be deemed a disposition or acquisition for the purpose of this item.

4. An acquisition or disposition shall be deemed to involve a significant amount of assets if--

(i) the value of such assets (less any valuation or qualifying reserves) as shown by the books of the persons disposing of such assets, or the amount of consideration given or received therefor, including liabilities assumed or to be discharged by the person acquiring the assets or the fair value of securities given or received for such assets, exceeded 10 percent of the total assets shown by the latest consolidated balance sheet of the registrant and its subsidiaries, as of a date prior to the transaction, which has been filed with the Commission, or if a consolidated balance sheet has not been filed, by the latest balance sheet of the registrant, as of a date prior to the transaction, which has been filed with the Commission; or



(ii) it involved the acquisition or disposition of a business whose gross revenues for its last fiscal year exceeded 10 percent of the aggregate gross revenues shown by the latest consolidated profit and loss statement of the registrant and its subsidiaries filed with the Commission for a full fiscal year prior to the transaction or, if a consolidated profit and loss statement has not been filed, by the latest profit and loss statement of the registrant filed with the Commission for a full fiscal year prior to the transaction.

In Computing the foregoing percentages, all related transactions contemporaneously negotiated among the respective parties and their affiliates shall be included.

5. The acquisition or disposition of securities shall be deemed the acquisition or disposition of all of the assets of the issuer of such securities if it results in the acquisition or disposition of control of such issuer.

6. Where assets are acquired or disposed of through the acquisition or disposition of control of a person, the person from whom such control was acquired or to whom it was disposed of shall be deemed the person from whom the assets were acquired or to whom they were disposed of, for the purposes of this item. Where such control was acquired from or disposed of to not more than five persons, their names shall be given, otherwise it will suffice to identify in an appropriate manner the class of such persons.

7. Attention is directed to the requirements of Part III.

Item 4. Increase in Amount of Equity Securities Outstanding.

If the amount of equity securities of the registrant outstanding has been increased through the issuance of any new class of securities or through the issuance or reissuance of any additional securities of a class outstanding, furnish the following information:

(a) Title of the class, the amount outstanding as last previously reported, and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction or transactions resulting in the increase and a statement of the aggregate sale price, aggregate selling expense, and net proceeds to the registrant. If securities are issued for a consideration other than cash, state the nature and aggregate amount of any such other consideration received or to be received by the registrant.

(c) As to securities issued in a transaction involving a public offering, state the method of distribution employed. Give the names of the principal underwriters, if any, and state the nature of any material relationship between any of such underwriters and the registrant. State whether or not the

securities were registered under the Securities Act of 1933; if not, state the exemption claimed and the facts relied upon to make the exemption available.

(d) As to securities issued in a transaction not involving any public offering, for which exemption from registration is claimed under Section 4(2) of the Securities Act of 1933, (1) state the approximate number of persons to whom the securities were offered and the number of purchasers, and (2) describe the class of persons who purchased the securities.

(e) Give a reasonably itemized statement of the purposes, so far as determinable, for which the net proceeds have been or are to be used and the approximate amount used or to be used for each such purpose.

(f) If the securities were capital shares, a statement of the amount of the proceeds credited or to be credited to any account other than the appropriate capital share account.

Instructions. 1. No report need be made with respect to the granting of qualified, restricted or other non-transferable options to purchase equity securities of the registrant.

2. This item includes the reissuance of treasury securities and securities held for the account of the issuer thereof. The extension of the maturity date of indebtedness shall be deemed to be the issuance of new indebtedness for the purpose of this item. In the case of such an extension, the percentage shall be computed upon the basis of the principal amount of the indebtedness extended.

3. If the securities referred to in answer to this item materially limit or qualify the rights evidenced by any class of registered securities, appropriate disclosure of such limitation or qualification shall be set forth in answer to Item 9.

Item 5. Decreases in Amount of Equity Securities Outstanding.

If the amount of any class of equity securities of the registrant outstanding has been decreased through one or more transactions furnish the following information:

(a) Title of the class, the amount outstanding as last previously reported, and the amount presently outstanding (as of specified date).

(b) A brief description of the transaction or transactions involving the decreases and a statement of the aggregate amount of cash or the nature and aggregate amount of any other consideration paid or to be paid by the registrant in connection with such transaction or transactions.

(c) In the case of equity securities other than convertible preferred stock or convertible debt securities, (1) a statement of the purpose for which the decrease was effected and a description of any plan or program pursuant to which additional decreases may be made, and (2) the name and relationship to the registrant, if any, of the person or persons from whom the securities were acquired, if acquired otherwise than by purchase in the open market.

Instruction. No report need be made with respect to decreases in outstanding qualified, restricted or other non-transferable options.

Item 6. Increase in Amount of Outstanding Debt Securities of Registrant, Its Majority-Owned Subsidiaries and Fifty-Percent-Owned Persons.

If the amount of outstanding debt securities of the registrant and its majority-owned subsidiaries and fifty-percent-owned persons has been increased and the principal amount of all such increases not previously reported exceeds 5 percent of the total assets of the registrant and its consolidated subsidiaries prior to the issuance of the securities, furnish information with respect to such increase comparable to that specified in paragraphs (a) to (e), inclusive, of Item 4.

Instructions. 1. Instructions 2 and 3 to Item 4 shall apply to this item.

2. No report need be made under this item with respect to the following:

(a) Increases resulting from the issuance of securities to the registrant by any of its wholly-owned subsidiaries, or by the registrant or a wholly-owned subsidiary to a wholly owned subsidiary. A report shall be made, however, in the event of the transfer of such securities to any person other than the registrant or a wholly-owned subsidiary.

(b) Increases resulting from the issuance of securities by a subsidiary which is required to file, and duly files, a report with respect to the issuance of such securities.

(c) Increases in convertible debt securities with respect to which information is given in answer to Item 4.

3. Information is to be included as to all indebtedness owed to banks, insurance companies, finance companies or other persons, which is evidenced by one or more bonds, debentures, notes or other evidence of indebtedness, except that information need not be given as to notes, drafts, bills of exchange or bankers' acceptances which mature not later than one year from the date of issuance, if the effective cost per annum of the usable net proceeds is not in excess of 1 1/2 times the current prime rate of interest of commercial banks as published in the Federal

Reserve Bulletin, or in the case of securities issued in a foreign currency, is not in excess of the rate prevailing in that country.

4. A guarantee of indebtedness for money borrowed shall be deemed a security for the purpose of this item. However, no report need be made under this item with respect to the guarantee of indebtedness of a wholly-owned subsidiary by the registrant or another such subsidiary.

5. Total assets of the registrant and its consolidated subsidiaries shall be computed on the basis of the latest balance sheet filed with the Commission.

Item 7. Decrease in Amount of Outstanding Debt Securities of Registrant, its Majority-Owned Subsidiaries and Fifty-Percent-Owned Persons.

If the amount of outstanding debt securities of the registrant and its majority-owned subsidiaries and fifty-percent-owned persons has been decreased through one or more transactions and the aggregate amount of all such decreases not previously reported exceeds 5 percent of the total assets of the registrant and its consolidated subsidiaries, furnish the following information:

(a) Title of the class, the amount outstanding as last previously reported and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction or transactions involving the decrease and a statement of the aggregate amount of cash or the nature and aggregate amount of any other consideration paid or to be paid in connection with such transaction or transactions.

Instructions. 1. This item need not be answered with respect to the following:

(a) Decreases resulting from ordinary sinking fund operations or similar periodic decreases made pursuant to the terms of the constituent instruments;

(b) Decreases where the amount of all decreases not previously reported does not exceed \$50,000 face amount, or

(c) Decreases in convertible debt securities of the registrant with respect to which information is given in answer to Item 5.

2. Total assets of the registrant and its consolidated subsidiaries shall be computed upon the basis of the latest balance sheet filed with the Commission.

Item 8. Legal Proceedings.

(a) Briefly describe any material legal proceedings, not previously reported, other than ordinary routine proceedings incidental to the business, to which the registrant or any of its subsidiaries has become a party or of which any of their property has become subject. Include the name of the court or governmental agency in which the proceedings were instituted, the date instituted and the principal parties thereto.

(b) If any such proceeding previously reported has been terminated, any materially important judgment has been entered in the proceeding, or any materially important settlement has been effected, identify the proceeding, and state the date and nature of such action and the general effect thereof with respect to the registrant and its subsidiaries.

Instructions. 1. If the business ordinarily results in actions for negligence or other claims, no such action or claim need be described unless it departs from the normal kind of such actions.

2. No information need be given with respect to any proceeding which involves primarily a claim for damages if the amount involved exclusive of interest and costs, does not exceed 15 percent of the current assets of the registrant and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

3. Notwithstanding Instruction 1 and 2, any bankruptcy, receivership, or similar proceeding with respect to the registrant or any of its significant subsidiaries shall be described. Any proceeding to which any director, officer or affiliate of the registrant, any person who owns of record or is known by registrant to own beneficially, more than 10 percent of any class of voting securities of the registrant, or any associate of any such director, officer or security holder, is a party, or has a material interest, adverse to the registrant or any of its subsidiaries, shall also be described.

4. Proceedings by a government agency need be reported only when they are formal public proceedings initiated by a published order for one or more specific purposes. Rate proceedings need not be reported unless they are of material importance in relation to the registrant's total business.

Item 9. Changes in Registered Securities.

(a) If the constituent instruments defining the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved and state briefly the general effect of such modification upon the rights of holders of such securities.

(b) If the rights evidenced by any class of registered securities have been materially limited or qualified by the issuance or modification of any other class of securities, state briefly the general effect of the issuance or modification of such other class of securities upon the rights of the holders of the registered securities.

Instruction. Working capital restrictions and other limitations upon the payment of dividends are to be reported hereunder.

Item 10. Changes in Security for Registered Securities.

If there has been a material withdrawal or substitution of assets securing any class of registered securities of the registrant, furnish the following information:

(a) Give the title of the securities.

(b) Identify and describe briefly the assets involved in the withdrawal or substitutions.

(c) Indicate the provisions in the underlying indenture, if any, authorizing the withdrawal or substitution.

Instruction. This item need not be answered where the withdrawal or substitution is made pursuant to the terms of an indenture which has been qualified under the Trust Indenture Act of 1939.

Item 11. Defaults Upon Senior Securities.

(a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the registrant or any of its significant subsidiaries exceeding 5 percent of the total assets of the registrant and its consolidated subsidiaries, identify the indebtedness and state the nature of the default. In the case of such a default in the payment of principal, interest or a sinking or purchase fund installment, state the amount of the default and the total arrearage on the date of filing this report.

(b) If any event occurred which would have resulted in material default as described in paragraph (a) above except for a waiver of such default and/or an amendment of the loan agreement, briefly describe such event and the terms of the waiver and/or amendment, and include such amendment as an exhibit hereto.

(c) If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the registrant which is registered or which ranks prior to any class of registered securities, or with respect to any class of preferred stock of any significant subsidiary of the registrant, give the title of the class and state the nature of the arrearage or delinquency. In the case of an arrearage in the payment of dividends, state the amount and the total arrearage on the date of filing this report.

Instructions. 1. This item need not be answered as to any default or arrearage with respect to any class of securities all of which is held by, or for the account of, the registrant or its totally-held subsidiaries.

2. Paragraphs (a) and (b) refer only to events which have become defaults under the governing instruments; i.e., after the expiration of any period of grace and compliance with any notice requirements.

Item 12. Revaluation of Assets or Restatement of Capital Share Account.

(a) If there has been a material revaluation of the assets of the registrant or any of its significant subsidiaries involving a write-up, write-down, write-off or abandonment, state the date of the revaluation, the amount involved and the accounts affected, including all related entries. If any adjustment was made in any related reserve account in connection with the revaluation, state the account and amounts involved and explain the adjustment.

(b) If there has been a material restatement of the capital share account of the registrant resulting in a transfer from capital share liability to surplus or reserves, or vice versa, state the date, purpose and amount of the restatement and give a brief explanation of all related entries in connection with the restatement.

Item 13. Options to Purchase Securities.

If any options to purchase securities of the registrant or any of its subsidiaries from the registrant or any of its subsidiaries have been granted or extended and the amount of securities called for by all such options the granting or extension of which has not been previously reported, exceeds 5 percent of the outstanding securities of the class, furnish the following information: (i) the title and amount of securities called for, (ii) the prices, expiration date and other material provisions, (iii) the consideration

received for the granting or extension thereof, (iv) the market value of the securities called for at the granting or expiration date and (v) a statement whether or not such securities have been or are required to be registered under the Securities Act of 1933 and, if not, a statement of the exemption claimed, the number of persons to whom options were issued and all other facts relied upon to establish the exemption claimed.

Instruction. In case a number of options are outstanding having different prices and expiration dates, the options may be grouped by prices and dates. If this produces more than five separate groups then there may be shown only the range of the expiration dates and the average purchase prices, i.e., the aggregate purchase price of all securities of the same class called for by all outstanding options to purchase securities of that class divided by the number of securities of such class so called for.

Item 14. Submission of Matters to a Vote of Security Holders.

If any matter has been submitted to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

(a) The date of the meeting and whether it was an annual or special meeting. If no meeting was involved, state the date on which the matter was submitted to a vote of security holders.

(b) If the meeting involved the election of directors, state the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

(c) Briefly describe each other matter voted upon at the meeting and state the number of affirmative votes and the number of negative votes cast with respect to each such matter.

Instructions. 1. If any matter has been submitted to a vote of security holders otherwise than at a meeting of such security holders, corresponding information with respect to such submission shall be furnished. The solicitation of any authorization or consent (other than a proxy to vote at a stockholders' meeting) with respect to any matter shall be deemed a submission of such matter to a vote of security holders within the meaning of this item.

2. This item need not be answered with respect to the election of directors if (i) the names of the management's nominees were set forth in a proxy statement or information statement sent to security holders pursuant to Section 14(a) or (c) of the Act, (ii) there was no solicitation in opposition to such nominees and (iii) all such nominees were elected.



3. Paragraph (c) need not be answered as to procedural matters or as to the selection or approval of auditors.

4. If the issuer has published a report containing all of the information called for by this item, the item may be answered by a reference to the information contained in such report, provided copies of such report are filed as an exhibit to the report on this form.

Item 15. Material Amendments to Registrant's Charter or By Laws.

State the general effect of any material amendment to the registrant's charter or by laws which has been made and with respect to which information is not required by any other item of this form.

Item 16. Other Materially Important Events.

The registrant may, at its option, report under this item any events, with respect to which information is not otherwise called for by this form, which the registrant deems of material importance to security holders.

Item 17. Financial Statement and Exhibits.

List separately the financial statement and exhibits, if any, filed as a part of this report, as required by Parts II, III and IV.

**PART II. SUMMARIZED FINANCIAL INFORMATION**

**General Instructions as to Financial Information**

**1. Persons for Whom the Information is to be Given**

(a) The required information is to be given as to the registrant or, if the registrant includes consolidated financial statements in its annual reports filed with the Commission it shall be given for the registrant and its consolidated subsidiaries. If the information is given for the registrant and its consolidated subsidiaries, it need not be given separately for the registrant. See Rule 13a-15 or 15d-15 regarding exemptions from filing summarized financial information.

(b) The required information shall also be given separately as to each unconsolidated subsidiary or fifty percent owned persons or group of such subsidiaries and fifty percent owned persons for which separate individual or group statements are required to be included in the registrant's annual reports filed with the Commission. It need not be furnished, however, for any such unconsolidated subsidiary or person which would not be required to file quarterly financial information if it were a registrant.

2. Preparation of Financial Information

The form requires only the items of information specified. The information is not required to be certified and may carry a notation to that effect and any other qualification considered necessary or appropriate. Amounts may be stated in thousands of dollars (000 omitted) provided it is stated that such has been done. Losses or other negative amounts shall be indicated clearly in the caption and the amounts shown in parentheses.

3. Incorporation by Reference to Published Statements

If the registrant makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a financial statement containing the information required by this form, the information called for may be incorporated by reference to such published statement provided copies thereof are filed as an exhibit to the report on this form.

4. Delay in Filing Information

The information required in 1(b) above may be omitted with respect to foreign subsidiaries not consolidated if it is impracticable to furnish it within the time specified for filing the report, provided it is indicated that such information has been omitted and the omitted information is furnished by amendment when available. Apart from the foregoing, any request for extension of time for the filing of the report or the furnishing of any of the required information shall be made pursuant to Rule 12b-25.

5. Presentation of Financial Information

(a) The summary results of operations called for by Parts A and B below shall be furnished in the comparative columnar form, in the manner indicated, subject to appropriate variations to conform to the nature of the business, for (1) the interim period between the end of the last fiscal year and the end of the latest fiscal quarter, and (2) the corresponding period of the preceding fiscal year.

(b) In the case of reports for the second and third fiscal quarters, a summary of results of operations may also be furnished at the option of the registrant for the most recent fiscal quarter and the corresponding period of the preceding fiscal year.

(c) If a business has been acquired for cash or debt during the period, the net current assets acquired at date of acquisition shall be stated separately under caption 16. Cash and current obligations used for the purchase shall be shown separately under caption 18. The operations of a purchased business from date of acquisition shall be reflected in other captions of the form.

(d) For a business acquired in an exchange of shares during the period, complete separate statements may be presented in an additional column on this form, or the operations of the acquired business may be included with those of the registrant in the proper captions for the entire period or from date of acquisition as appropriate. The beginning balance of cash (caption 20) shall reflect separately the amounts contributed by the acquired business. The operations of the acquired business shall be reflected in captions 23 and 24 only for the period included in the operations of the registrant during the period.

(e) The financial information to be included in this report shall be prepared in conformity with the accounting principles or practices, or methods of applying accounting principles or practices (including consolidation practices), reflected in the financial statements included in the annual report filed with the Commission for the preceding fiscal year; or any differences which have a material effect on the results of operations shall be noted and the effects thereof on this financial information reconciled or explained.

(f) Furnish any material information necessary to make the information called for not misleading.

(g) The financial information shall reflect all adjustment which are, in the opinion of management, necessary to a fair statement of the results for the interim periods. A statement to that effect shall be included. Such adjustments might include, for example, appropriate estimated provisions for bonus and profit sharing arrangements normally determined or settled at year-end.

(h) Any material retroactive prior period adjustment made during any period included in this report shall be disclosed, together with the effect thereof upon net income--total and per share--of any prior period included herein and upon the balance of earned surplus. If results of operations for any period reported herein have been adjusted retroactively by such an item subsequent to the initial reporting of such period, similar disclosure of the effect of the change shall be made.

(i) The registrant may furnish any additional financial information related to the periods being reported on which, in the opinion of management, is of significance to investors.

(j) The registrant shall file as an exhibit a statement setting forth in reasonable detail the computations of the per share data shown.

Summarized Financial Information

Company or group of companies for which report is filed:

For the \_\_\_\_\_ Months Ended:

\_\_\_\_\_  
(Current Year)      (Preceding Year)

A. Profit and Loss Information Prepared on an Accrual Basis.

1. Revenues:

Rental income		
Mortgage interest income		
Management fees		
Others	\$ _____	\$ _____
Total	\$ _____	\$ _____

2. Deductions:

Operating expenses		
Real estate tax		
Depreciation		
Interest expense		
General and administrative expenses		
Others	\$ _____	\$ _____
Total	\$ _____	\$ _____

3.

(a) Income before income taxes, extraordinary items and realized gain or loss on investments	\$ _____	\$ _____
(b) Provision for taxes on income	\$ _____	\$ _____

Instruction. If the provision for taxes on income includes any material provisions for deferred income taxes resulting from allocations, they shall be disclosed and explained. The methods used (e.g., proportion of year expired, or estimated annual effective tax rate) in the allocation to the interim periods of the income tax effects of operating loss carry-backs, carry-forwards and the investment tax credit shall be described.

(c)	(1)	Income before extraordinary items and realized gain or loss on investments	\$ _____	\$ _____
	(2)	Per share data	\$ _____	\$ _____
(d)	(1)	Extraordinary items	\$ _____	\$ _____
	(2)	Per share data	\$ _____	\$ _____
4.				
(a)		Income (loss) before realized gain or loss on investments	\$ _____	\$ _____
(b)		Per share data	\$ _____	\$ _____
5.				
(a)		Realized gain or loss on investments	\$ _____	\$ _____
(b)		Per share data	\$ _____	\$ _____
<p><u>Instruction.</u> State separately and describe each material item not included in caption 4. Profits or losses from sales of properties or other assets shall be included herein.</p>				
6.				
(a)		Net income	\$ _____	\$ _____
(b)		Per share data	\$ _____	\$ _____

**B. Funds Generated and Funds Disbursed.**

**Instruction.** In captions 7 to 21 inclusive, where applicable, the minority interests shall be segregated from the consolidated results shown and stated in a separate column, if material. If not material, the amount of minority interests reported in caption 3 shall be added back or deducted, as appropriate, under caption 10 and distributions made to minority interests shall be deducted separately under caption 12.

7. Net income (loss) as reported in caption 4 \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Instruction.** Changes in funds resulting from transactions reported in caption 5 are not to be reported here but shall be reported under caption 14.

8. Cash distributions to shareholders \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Instruction.** Include a tabulation of the amounts per share and the number of shares outstanding at each distribution date. A note to this item shall indicate the amounts representing accumulated income and the amounts representing a return of capital and shall be computed on the accounting basis rather than the income tax basis.

9. Excess (deficiency) \$ \_\_\_\_\_ \$ \_\_\_\_\_

10. Add: A. Depreciation or amortization of property.  
B. Charges (credits) for deferred income taxes.  
C. Amortization of debt discount and expense.  
D. Other. (Describe) \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Instruction.** A. The amount reflected hereunder for depreciation or amortization of property shall be the amount deducted in caption 2 and shall be stated separately by major classes such as depreciation on fixed property, depreciation on personal property and amortization of leases.

B. Amortization of deferred charges other than debt discount and expense shall be provided for under caption 16.

- 11. Total \$ \_\_\_\_\_ \$ \_\_\_\_\_
- 12. Deduct: A. Principal payments on mortgages and installment notes.
- B. Replacements of personal and other property and payments into funds for such replacements. \$ \_\_\_\_\_ \$ \_\_\_\_\_

Instruction. Other payments and amounts specifically called for under captions 16 and 18 shall be excluded here.

- 13. Excess (deficiency) of funds generated over distributions before realized gain or loss on investments \$ \_\_\_\_\_ \$ \_\_\_\_\_
- 14. Realized gain (or loss) on investments-- funds generated \$ \_\_\_\_\_ \$ \_\_\_\_\_

Instruction. State separately any material item. The computation of funds generated from property sales shall be reflected hereunder in tabular form indented under this caption beginning with the profits or losses reported under caption 5 with respect thereto, deducting therefrom the amount of accumulated depreciation applicable to the property sold and adding back the recovery of principal payments on mortgages previously deducted under caption 12 with respect to the property sold. Any other adjustments made in arriving at funds generated from property sales shall also be separately stated. Where a purchase money mortgage is received as part of the consideration in the sale of property, the portion of the profit as computed above represented by the purchase money mortgage shall be recognized thereunder as funds generated only as cash collections are received. If the profit as computed above is less than the purchase money mortgage, no amount shall be reflected hereunder until cash collections reduce the purchase money mortgage to the amount of the profit. Thereafter, funds generated shall be reflected hereunder as cash collections are received. Any balance of cash proceeds from sales of properties shall be given under caption 16.

- 15. Excess (deficiency) of funds generated over distributions after realized gain (loss) on investments \$ \_\_\_\_\_ \$ \_\_\_\_\_

16. Other sources of funds \$ \_\_\_\_\_ \$ \_\_\_\_\_

Instruction. State separately any item of a material amount. Net proceeds of refinancing of mortgages shall be included here. The change in net current assets (other than cash) and other miscellaneous items shall be reflected here or under caption 18, as appropriate.

17. Total \$ \_\_\_\_\_ \$ \_\_\_\_\_

18. Other disposition of funds \$ \_\_\_\_\_ \$ \_\_\_\_\_

Instruction. State separately any item of a material amount. "Balloon" payments on mortgages not refinanced shall be reflected here.

19. Net increase (decrease) in cash during period \$ \_\_\_\_\_ \$ \_\_\_\_\_

20. Cash balance at beginning of period covered by this report \$ \_\_\_\_\_ \$ \_\_\_\_\_

21. Cash balance at close of period covered by this report \$ \_\_\_\_\_ \$ \_\_\_\_\_

C. Cumulative Amounts of Excess (Deficiency) of Funds Generated Over Distributions After Realized Gains (Losses) on Investments (Exclusive of Minority Interests).

22. Cumulative excess (deficiency) of funds generated over distributions after realized gain (loss) on investments at the beginning of the fiscal year \$ \_\_\_\_\_ \$ \_\_\_\_\_

Instructions. 1. The amount reflected hereunder shall be computed from the beginning of the first fiscal year ending on or after January 1, 1959, or the date of organization of the registrant, whichever is later.

2. The cumulative amount hereunder and the amount reflected under caption 23 shall be computed in the same manner as is the quarterly amount shown in caption 15 above.



- 23. Net increase (decrease) in excess (deficiency) of funds generated over distribution after realized gain (loss) on investments from beginning of the fiscal year to end of period covered by this report \$ \_\_\_\_\_ \$ \_\_\_\_\_
- 24. Cumulative excess (deficiency) of funds generated over distribution after realized gain (loss) on investments at end of fiscal period to date \$ \_\_\_\_\_ \$ \_\_\_\_\_
- 25. Per share amounts declared at the date of this report for distribution in the forthcoming period(s). List separately the declaration by payment period

REMARKS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

D. Capitalization and Stockholders' Equity

\_\_\_\_\_  
(Date)

Furnish, insofar as practicable in the manner described below, a summary of capitalization and stockholders' equity as at the end of the latest fiscal period.

<u>Debt</u>	<u>Amount</u>
Short-term loans, notes, etc.	\$ _____
Long-term debt, including parenthetically portion due within one year (list separately convertible debt)	\$ _____
Total debt	\$ _____
 <u>Deferred credits</u>	
<u>Stockholders' equity</u>	

	<u>Shares Outstanding</u>	<u>Amount</u>
Preferred stock (list separately convertible and non-convertible preferred stock)	_____	\$ _____
Common stock	_____	\$ _____
Capital in excess of par value		\$ _____
Earned surplus--		
Balance at beginning of current fiscal year		\$ _____
Prior period adjustments, if any (show credits (and charges) separately)		\$ _____
Net income (Item 9, above)		\$ _____
Dividends (State cash and stock dividends on common stock separately, indicating amount per share--dividends on preferred stocks may be shown in one amount)		\$( _____ )
Other credits (charges) (Explain nature and amounts)		\$ _____
Balance at end of interim period		\$ _____
Treasury stock (Identify class of security number of shares and basis at which stated)	_____	\$( _____ )
Total stockholders' equity		\$ _____

Instructions.

- (1) The form and content shall conform generally with that in the balance sheet and notes thereto appearing in the annual report filed with the Commission.
- (2) Minority interests shall be stated separately.
- (3) The number of shares of each class of security reserved for conversion, warrants, options and other rights shall be separately disclosed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

\_\_\_\_\_  
(Registrant)

Date \_\_\_\_\_

By \_\_\_\_\_  
(Signature)\*

\*Print name and title of the signing officer under his signature.

PART III. FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED

1. Businesses for which Statements are Required.

The financial statements specified below shall be filed for any business the acquisition of which is required to be described in answer to Item 3 above.

2. Statements Required.

(a) There shall be filed a balance sheet of the business as of a date reasonably close to the date of acquisition. This balance sheet need not be certified, but if it is not certified, there shall also be filed a certified balance sheet as of the close of the preceding fiscal year.

(b) Profit and loss statements of the business shall be filed for each of the last three full fiscal years and for the period, if any, between the close of the latest of such fiscal years and the date of the latest balance sheet filed. These profit and loss statements shall be certified up to the date of the certified balance sheet.

(c) If the business was in insolvency proceedings immediately prior to its acquisition, the balance sheets required shall be certified to the close of the latest full fiscal year.

(d) Except as otherwise provided in this instruction, the principles applicable to a registrant and its subsidiaries with respect to the filing of individual, consolidated and group statements in an original registration statement or an annual report shall be applicable to the statements required by this instruction.

3. Application of Regulation S-X.

Regulation S-X governs the certification, form and content of the balance sheets and profit and loss statements required by the preceding instruction, specifies the basis of consolidation thereof, and prescribes the statements of surplus to be filed in support thereof. No supporting schedules need be filed.

4. Filing of Other Statements in Certain Cases.

The Commission may, upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Commission may also by informal written notice require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person for which financial statements are required, or whose statements are otherwise necessary for the protection of investors.

PART IV. INSTRUCTIONS AS TO EXHIBITS

Subject to Rule 12b-32 as to incorporation by reference, the following documents shall be filed as exhibits to this report and a list of all exhibits so filed shall be included:

1. Copies of any contract, plan or arrangement for any acquisition of disposition described in answer to Item 3, including any plan of reorganization, readjustment, exchange, merger, consolidation or succession in connection therewith. See also Instruction 4 below.

2. Copies of all constituent instruments defining the rights of the holders of any new class of securities referred to in answer to Item 4 or 6.

3. Copies of any judgment or any document setting forth the terms of any settlement described in answer to Item 8. See also Instruction 4 below.

4. Copies of the amendments to all constituent instruments and other documents described in answer to Item 9.

5. Copies of the plan pursuant to which the options referred to in answer to Item 13 were granted or, if there is no such plan, specimen copies of the options.

6. Copies of all amendments to any documents filed as exhibits to previous reports on this form pursuant to Instruction 1, 3 or 5 above.

7. Copies of the text of any proposal described in answer to Item 14.

8. Copies of any material amendments to the registrant's charter or by laws described in answer to Item 15.



For RELEASE Monday, September 15, 1969

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.

SECURITIES EXCHANGE ACT OF 1934  
Release No. 8685

AMENDMENT OF FORM 8-A AND RESCISSION OF FORM 8-C  
AND RULE 12b-35

The Securities and Exchange Commission has amended Form 8-A and has rescinded Form 8-C and Rule 12b-35 under the Securities Exchange Act of 1934. These two forms and the rule provide separate procedures for the registration under the Act of securities by certain issuers which have previously registered securities under the Act or under the Securities Act of 1933. The amendment of Form 8-A, in effect, consolidates the three registration procedures into a single procedure for which the amended form would be used. This will avoid the confusion which sometimes arises as to which form or rule is the appropriate one to use.

A copy of the amended form is attached hereto.

The Commission finds that notice and procedure pursuant to the Administrative Procedure Act is not necessary because the amendments to Form 8-A and the rescission of Form 8-C and Rule 12b-35 merely consolidate into a single form, the registration procedures heretofore provided by the two forms and the rule and does not substantially increase the previously existing disclosure requirements.

The foregoing action shall become effective October 30, 1969, except that any issuer entitled to use the amended Form 8-A may, at its option, do so prior to that date.

By the Commission.

Orval L. DuBois  
Secretary

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.  
20549

FORM 8-A

FOR REGISTRATION OF CERTAIN CLASS OF SECURITIES  
PURSUANT TO SECTION 12(b) OR (g) OF THE  
SECURITIES EXCHANGE ACT OF 1934

GENERAL INSTRUCTIONS

A. Rule as to Use of Form 8-A.

(a) Subject to paragraph (b) below, this form may be used for registration pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934 of any class of securities of any issuer which is required to file reports pursuant to Section 13 or 15(d) of that Act or pursuant to an order exempting the exchange on which the issuer has securities listed from registration as a national securities exchange.

(b) If the registrant would be required to file an annual report pursuant to Section 15(d) of the Act for its last fiscal year, except for the fact that the registration statement on this form will become effective before such report is required to be filed, an annual report for such fiscal year shall nevertheless be filed within the period specified in the appropriate annual report form.

B. Application of General Rules and Regulations.

(a) The General Rules and Regulations under the Act contain certain general requirements which are applicable to registration on any form. These general requirements should be carefully read and observed in the preparation and filing of registration statements on this form.

(b) Particular attention is directed to Regulation 12B which contains general requirements regarding matters such as the kind and size of paper to be used, legibility, information to be given whenever the title of securities is required to be stated, incorporation by reference and the filing of the registration statement. The definitions contained in Rule 12b-2 should be especially noted.

C. Preparation of Registration Statement.

This form is not to be used as a blank form to be filled in, but only as a guide in the preparation of the registration statement on paper meeting the requirements of Rule 12b-12. The registration statement shall contain

the item numbers and captions, but the text of the items may be omitted. The answers to the items shall be prepared in the manner specified in rule 12b-13.

D. Signature and Filing of Registration Statement.

Eight complete copies of the registration statement, including all papers and documents filed as a part thereof (other than exhibits) shall be filed with the Commission and at least one such copy shall be filed with each exchange on which the securities are to be registered. Exhibits shall be filed with the Commission and with any exchange in accordance with the Instructions as to Exhibits. At least one copy of the registration statement filed with the Commission and one filed with each exchange shall be manually signed. Unsigned copies shall be conformed.



SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.  
20549

FORM 8-A

FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES  
PURSUANT TO SECTION 12(b) OR (g) OF THE  
SECURITIES EXCHANGE ACT OF 1934

\_\_\_\_\_  
(Exact name of registrant as specified in its charter)

\_\_\_\_\_  
(State of incorporation or organization)

\_\_\_\_\_  
(I. R. S. Employer  
Identification No.)

\_\_\_\_\_  
(Address of principal executive offices)

\_\_\_\_\_  
(Zip Code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class  
to be so registered

Name of each exchange on which  
each class is to be registered

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Securities to be registered pursuant to Section 12(g) of the Act:

\_\_\_\_\_  
(Title of class)

\_\_\_\_\_  
(Title of class)

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1. Capital Stock to be Registered.

If capital stock is to be registered hereunder, state the title of the class and furnish the following information (See Instruction 1):

(a) Outline briefly (1) dividend rights; (2) voting rights; (3) liquidation rights; (4) pre-emptive rights; (5) conversion rights; (6) redemption provisions; (7) sinking fund provisions, and (8) liability to further calls or to assessment by the registrant.

(b) If the rights of holders of such stock may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class, so state and explain briefly.

(c) Outline briefly any restriction on the repurchase or redemption of shares by the registrant while there is any arrearage in the payment of dividends or sinking fund installments. If there is no such restriction, so state.

Instructions. 1. If a description of the securities comparable to that required here is contained in any other filing with the Commission, such description may be incorporated by reference to such other filing in answer to this item. If the securities are to be registered on a national securities exchange and the description has not previously been filed with such exchange, copies of the description shall be filed with copies of the application filed with the exchange.

2. This item requires only a brief summary of the provisions which are pertinent from an investment standpoint. A complete legal description of the provisions referred to is not required and should not be given. Do not set forth the provisions of the governing instruments verbatim; only a succinct resume is required.

3. If the rights evidenced by the securities to be registered are materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other document, include such information regarding such limitation or qualification as will enable investors to understand the rights evidenced by the securities to be registered.

Item 2. Debt Securities to be Registered.

If the securities to be registered hereunder are bonds, debentures or other evidences of indebtedness, outline briefly such of the following as are relevant:

(a) Provisions with respect to interest, conversion, maturity, redemption, amortization, sinking fund or retirement.

(b) Provisions with respect to the kind and priority of any lien, securing the issue, together with a brief identification of the principal properties subject to such lien.

(c) Provisions restricting the declaration of dividends or requiring the maintenance of any ratio of assets, the creation or maintenance of reserves or the maintenance of properties.

(d) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, the release or substitution of assets securing the issue, the modification of the terms of the security, and similar provisions.

Instruction. Provisions permitting the release of assets upon the deposit of equivalent funds or the pledge of equivalent property, the release of property no longer required in the business, obsolete property or property taken by eminent domain, the application of insurance moneys, and similar provisions, need not be described.

(e) The name of the trustee and the nature of any material relationship with the registrant or any of its affiliates; the percentage of securities of the class necessary to require the trustee to take action, and what indemnification the trustee may require before proceeding to enforce the lien.

(f) The general type of event which constitutes a default and whether or not any periodic evidence is required to be furnished as to the absence of default or as to compliance with the terms of the indenture.

Instruction. The instructions to Item 1 shall also apply to this item.

Item 3. Other Securities to be Registered.

If securities other than those referred to in Items 1 and 2 are to be registered hereunder, outline briefly the rights evidenced thereby. If subscription warrants or rights are to be registered, state the title and amount of securities called for, the period during which and the price at which the warrants or rights are exercisable.

Instruction. The instructions to Item 1 shall also apply to this item.

Item 4. Exhibits.

List below all exhibits filed as a part of the registration statement:

Instruction. See the instructions as to exhibits, set forth below.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

\_\_\_\_\_  
(Registrant)

Date \_\_\_\_\_ By \_\_\_\_\_

\*Print the name and title of the signing officer under his signature.

INSTRUCTIONS AS TO EXHIBITS

I. If the securities to be registered hereunder are to be registered on an exchange on which other securities of the registrant are registered, or are to be registered pursuant to Section 12(g) of the Act, the following exhibits shall, subject to Rule 12b-32 regarding incorporation of exhibits by reference, be filed with each copy of the registration statement filed with the Commission or with an exchange:

1. Specimens or copies of each security to be registered hereunder.

2. Copies of all constituent instruments defining the rights of the holders of each class of such securities, including any contracts or other documents which limit or qualify the rights of such holders.

II. If the securities to be registered are to be registered on an exchange on which no other securities of the registrant are registered, the following exhibits shall be filed with each copy of the registration statement filed with each such exchange, but need not be filed with, or incorporated by reference in, copies of the registration statement filed with the Commission:

3. Copies of the last annual report filed pursuant to Section 13 or 15(d) of the Act or, if no such report has yet been filed, copies of the latest registration statement filed pursuant to Section 12(b) or (g) of the Act, or pursuant to the Securities Act of 1933.

4. Copies of all current, quarterly or semi-annual reports filed pursuant to Section 13 or 15(d) of the Act since the end of the fiscal year covered by the annual report filed pursuant to Instruction 3 above, or if none, since the effective date of the latest registration statement so filed.

5. Copies of the latest definitive proxy statement or information statement, if any, filed with the Commission pursuant to Section 14 of the Act.

6. Copies of the charter and bylaws, or instruments corresponding thereto, and copies of any other documents defining the rights of holders of the securities to be registered.

7. Specimens or copies of each security to be registered hereunder.

8. Copies of the last annual report submitted to stockholders by the registrant or its predecessors. Such annual report shall not be deemed to be "filed" with the exchange or otherwise subject to the liabilities of Section 18 of the Act, except to the extent it may already be subject thereto.