

STOCK EXCHANGE PRACTICES

HEARINGS BEFORE THE COMMITTEE ON BANKING AND CURRENCY UNITED STATES SENATE

SEVENTY-SECOND CONGRESS

FIRST SESSION

ON

S. Res. 84

A RESOLUTION TO THOROUGHLY INVESTIGATE PRACTICES
OF STOCK EXCHANGES WITH RESPECT TO THE
BUYING AND SELLING AND THE BORROWING
AND LENDING OF LISTED SECURITIES
THE VALUES OF SUCH SECURITIES
AND THE EFFECTS OF SUCH
PRACTICES

Appendix to Parts 1, 2 and 3

SEPTEMBER, 1, 1932

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STOCK EXCHANGE PRACTICES

APPENDIX TO PARTS 1, 2, AND 3

EXHIBIT No. 9, APRIL 11, 1932

(See pp. 13 and 33 of this hearing)

Statistics in regard to short selling, New York Stock Exchange, on April 1, 4, 5, and 6, 1932

	Apr. 1	Apr. 4	Apr. 5	Apr. 6
Abitibi Power & Paper Co. (Ltd.)	25	25	25	25
Abitibi Power & Paper Co. (Ltd.), preferred	25	25	25	25
Adams Express Co.	14,020	14,070	14,020	14,120
Adams-Millis Corporation	125	125	125	125
Advance-Rumely Corporation	43	43	43	43
Affiliated Products (Inc.)	200	15	300	400
Air Reduction Co. (Inc.)	6,615	6,675	5,795	5,570
Alaska Juneau Gold Mining Co.	10,571	18,116	19,464	18,594
Alleghany Corporation	8,182	4,532	4,942	4,930
Alleghany Corporation, 5½ per cent preferred \$30 warrants	205	205	205	105
Alleghany Corporation, 4½ per cent preferred without warrants	100	100	100	100
Allied Chemical & Dye Corporation	69,697	68,080	63,420	64,815
Allied Chemical & Dye Corporation, preferred	40	40	40	40
Allis-Chalmers Manufacturing Co.	949	974	874	674
Amerada Corporation	185	185	185	185
American Bank Note Co.	75	85	85	85
American Beet Sugar Co.	10	10	10	10
American Brake Shoe & Foundry Co., preferred	3	3	6	6
American Can Co.	103,615	102,283	91,010	84,694
American Can Co., preferred	1	106	105	105
American Car & Foundry Co.	125	125		25
American Car & Foundry Co., preferred	8			
American Chicle Co.			100	
American Commercial Alcohol Corporation, voting trust certificates	3,645	2,690	2,370	1,770
American European Securities	200	300	300	1,000
American & Foreign Power Co. (Inc.)	30,429	20,964	19,649	19,279
American & Foreign Power Co. (Inc.), preferred	75			
American & Foreign Power Co., second preferred (A) \$7 cumulative	270	265	240	255
American & Foreign Power Co., \$6 preferred	271	120	120	120
American Hide & Leather Co.	10	10	10	10
American Hide & Leather Co., preferred	120	120	120	120
American Home Products Corporation	105	205	189	220
American Ice Co.	1,525	1,325	1,345	1,345
American International Corporation	970	870	795	754
American Locomotive Co.	425	225	225	225
American Locomotive Co., preferred	450	530	545	545
American Machine & Foundry Co.	400			100
American Machine & Metals (Inc.)	35	35	35	35
American Metal Co. (Ltd.)	925	1,025	1,025	925
American News Co. (Inc.)	200	200	200	200
American Powder & Light Co.	3,041	2,747	2,522	2,312
American Radiator & Standard Sanitary Corporation	1,312	1,324	1,987	1,290
American Rolling Mill Co.	1,040	1,440	390	290
American Safety Razor Corporation	40	40	40	20
American Ship Building Co.	18	18	8	8
American Smelting & Refining Co.	7,385	7,505	7,425	7,590
American Smelting & Refining Co., 7 per cent preferred	125	155	155	155
American Smelting & Refining Co., 6 per cent preferred	50	50	50	50
American Snuff Co.		200	200	150
American Steel Foundries	22	22	22	40
American Stores Co.	100	150	390	630
American Sugar Refining Co.	375	385	545	345
American Sugar Refining Co., preferred	145	45	45	45
American Sumatra Tobacco Co.	25	25	25	25
American Telephone & Telegraph Co.	182,019	261,879	194,637	197,695

Statistics in regard to short selling, New York Stock Exchange, on April 1, 4, 5, and 6, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6
American Tobacco Co.	1, 300	1, 300	1, 000	1, 000
American Tobacco Co., class B.	26, 750	26, 970	28, 738	30, 276
American Type Founders Co.	10	10	10	10
American Water Works & Electric Co. (Inc.)	2, 905	3, 015	2, 940	3, 000
American Water Works & Electric Co. (Inc.), voting trust certificates	25	25	25	25
American Woolen Co.	44	44	44	230
American Woolen Co., preferred	882	2, 687	4, 002	4, 001
American Zinc Lead & Smelting Co., preferred	100	100	100	100
Anaconda Copper Mining Co.	41, 105	38, 255	31, 374	33, 255
Anchor Cap Corporation	200	100	100	100
Armour & Co. (Delaware), preferred	190	190	175	185
Armour & Co. (Illinois), class B	200	200	600	200
Armour & Co. (Illinois), preferred	200	200	500	200
Artloom Corporation, preferred		340	50	50
Associated Oil Co.	75	75	75	75
Atchison, Topeka & Santa Fe Ry. Co.	14, 552	14, 960	15, 530	21, 079
Atchison, Top. & Santa Fe Ry. Co., preferred			50	50
Atlantic Coast Line R. R. Co.	301	301	301	301
Atlantic Refining Co.	770	670	670	680
Atlas Powder Co.				87
Auburn Automobile Co.	60, 255	52, 105	48, 061	48, 358
Austin Nichols & Co. (Inc.), prior A	10	10	10	10
Aviation Corporation (The) of Delaware	25	1, 005	980	980
Baldwin Locomotive Works	1, 326	1, 401	1, 095	1, 195
Baldwin Locomotive Works, preferred	22	7		
Baltimore & Ohio R. R. Co.	5, 926	4, 696	4, 991	5, 141
Baltimore & Ohio R. R. Co., preferred	485	455	455	355
Bamberger (L.) & Co., preferred	5	5	5	5
Barnsdall Corporation, class A	100	120	120	120
Beatrice Creamery Co.	385	325	325	325
Beatrice Creamery Co., preferred	20	20	70	70
Beech-Nut Packing Co.	100	100	100	100
Belding-Heminway Co.	25			
Bendix Aviation Corporation	14, 657	14, 104	13, 047	14, 135
Best & Co. (Inc.)	1, 955	2, 455	3, 105	2, 920
Bethlehem Steel Corporation	68, 598	61, 953	66, 181	66, 309
Bethlehem Steel Corporation, preferred	990	1, 045	1, 245	1, 415
Bohn Aluminum & Brass Corporation	730	805	590	590
Bon Ami (The)	25	25	25	50
Borden Co. (The)	18, 455	19, 264	19, 789	19, 393
Borg-Warner Corporation	300	110	110	167
Boston & Maine R. R. Co.			100	100
Briggs Manufacturing Co.	595	795	815	565
Briggs & Stratton Corporation		100	100	100
Brooklyn-Manhattan Transit Corporation	2, 971	3, 581	3, 401	3, 065
Brooklyn-Manhattan Transit Corporation, preferred A			25	25
Brooklyn Union Gas Co.	200			955
Brunswick Terminal & Ry. Securities Co.	1, 055	1, 055	1, 055	
Bucyrus-Erie Co.	100	100	100	100
Bucyrus-Erie Co., \$2.50 convertible preferred				100
Budd (Edward G.) Manufacturing Co.	40	40	40	40
Budd Wheel Co.	700	100	100	
Bullard Co.				100
Bulova Watch Co. (Inc.)	200	200	200	200
Burroughs Adding Machine Co.	1, 285	1, 385	1, 215	1, 095
Bush Terminal Co.	350	350	350	375
Bush Terminal Buildings Co., 7 per cent preferred		1	1	1
Butterick Co.	1	601	601	601
Byers (A. M.) Co.	1, 826	1, 555	1, 505	1, 505
California Packing Corporation	500	300	200	200
Calumet & Hecla Consolidated Copper Co.	83	50	50	60
Campbell Wyant & Cannon Foundry Co.	100	100	100	100
Canada Dry Ginger Ale (Inc.)	300	350	350	335
Canadian Pacific Ry. Co.	9, 373	11, 996	12, 053	11, 833
Capital Administration Co. (Ltd.) class A	205	205	205	205
Case (J. I.) Co.	101, 609	86, 709	81, 126	79, 279
Case (J. I.) Co., preferred	5	5	5	5
Caterpillar Tractor Co.	722	422	422	500
Central R. R. of New Jersey	35	35	35	35
Cerro de Pasco Copper Corporation	1, 775	600	575	1, 600
Certain-teed Products Corporation	25			
Checker Cab Manufacturing Corporation	2, 155	2, 155	5	105
Chesapeake Corporation	4, 181	2, 846	1, 981	1, 891
Chesapeake & Ohio Ry. Co.	8, 279	9, 412	8, 117	8, 152
Chicago Great Western R. R. Co.	175	175	175	175
Chicago Great Western R. R. Co., preferred	377	107	7	207
Chicago, Milwaukee, St. Paul & Pacific R. R. Co.	4, 950	4, 950	5, 130	5, 180
Chicago, Milwaukee, St. Paul & Pacific R. R. Co., preferred	30	1, 730	1, 630	1, 330

Statistics in regard to short selling, New York Stock Exchange, on April 1, 4, 5, and 6, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6
Chicago & North Western Ry. Co.	1,350	1,300	1,250	1,100
Chicago Pneumatic Tool Co.	240	215	215	215
Chicago, Rock Island & Pacific Ry. Co.	3,233	3,108	3,108	3,108
Chicago Yellow Cab (Inc.)			6	6
Childs Co.	50	50	50	50
Chrysler Corporation	11,955	12,235	23,070	20,685
City Ice & Fuel Co.	296	296	256	256
City Ice & Fuel Co., preferred			2	12
City Stores Co.	70	470	470	470
Coca-Cola Co. (The)	18,375	23,185	23,257	24,612
Coca-Cola Co. (The), class A	210	110	110	110
Colgate-Palmolive-Peet Co.	460	360	280	230
Colorado Fuel & Iron Co.	45	45	45	45
Columbia Gas & Electric Corporation	3,638	3,703	3,268	3,952
Columbia Gas & Electric Corporation, 6 per cent preferred	155	205	205	80
Columbia Gas & Electric Corporation, 5 per cent preferred	57	57	57	57
Columbia Pictures Corporation, voting trust certificates for common stock	100	100	100	100
Columbian Carbon Co., voting trust certificates	3,210	3,190	3,480	3,760
Commercial Credit Co.	100	150	150	200
Commercial Credit Co., 6½ per cent preferred	40	40	50	40
Commercial Credit Co., 6 per cent preferred	15	5	5	5
Commercial Credit Co., 8 per cent preferred		5	5	5
Commercial Investment Trust Corporation	1,310	1,435	935	985
Commercial Investment Trust Corporation, 6½ per cent preferred				30
Commercial Investment Trust Corporation, 7 per cent preferred	1	1	1	1
Commercial Solvents Corporation	1,611	1,211	1,097	972
Commonwealth & Southern Corporation	276	5,539	364	5,750
Commonwealth & Southern Corporation, preferred	125	230	225	475
Congoleum-Nairn (Inc.)	25	225	25	25
Consolidated Cigar Corporation, 6½ per cent preferred	10	50	10	10
Consolidated Cigar Corporation, 6½ per cent preferred without warrants	10	10	10	10
Consolidated Film Industries (Inc.)	300	400	300	200
Consolidated Film Industries (Inc.) preferred	200	200	300	272
Consolidated Gas Co.	51,687	48,957	41,995	42,126
Consolidated Gas Co., preferred	315	405	505	515
Consolidated Laundries Corporation	200	350	350	150
Consolidated Oil Corporation		35,768	35,688	35,098
Consolidated Oil Corporation, preferred		163	163	163
Consolidated Textile Corporation	100	100	100	100
Continental Baking Corporation, class A	50	50	50	50
Continental Baking Corporation, class B	60	60	60	60
Continental Baking Corporation, preferred	95	85	195	275
Continental Can Co. (Inc.)	6,427	7,277	8,527	8,722
Continental Insurance Co.	550	1,150	1,140	1,240
Continental Oil Co. (Delaware)	2,352	2,402	2,112	2,302
Continental Shares (Inc.)	749	49	49	49
Corn Exchange Bank Trust Co.	2	2	2	2
Corn Products Refining Co.	4,570	6,980	6,496	5,491
Corn Products Refining Co., preferred	8	8	6	6
Cream of Wheat Corporation, stock transfer			20	
Crex Carpet Co.	390	530	2,245	2,480
Crown Cork & Seal Co. (Inc.)	575	575	575	575
Crucible Steel Co. of America	148			75
Crucible Steel Co. of America, preferred	3			
Cuban-American Sugar Co., preferred		20	20	
Cudaby Packing Co.	421	421	421	421
Curtiss Aeroplane & Motor Co. (Inc.)	25	25	25	25
Curtis (The) Publishing Co.	50	150	50	50
Curtiss-Wright Corporation	7,106	5,876	5,866	3,941
Curtiss-Wright Corporation, class A	155	255	155	155
Cutler-Hammer (Inc.)	460	460	460	460
Davison Chemical Co.	260	360	350	350
Deere & Co., preferred	415	215	215	215
Delaware & Hudson Co.	1,105	1,440	1,315	1,425
Delaware, Lackawanna & Western R. R. Co.	400	300	275	275
Detroit Edison Co.	400	530	530	630
Diamond Match Co.	385	285	285	195
Diamond Match Co., preferred	25	25	25	25
Dome Mines Co. (Ltd.)	106	106		
Dominion Stores (Ltd.)	133	133	133	33
Douglas Aircraft Co. (Inc.)	150	150	150	150
Dresser (S. R.) Manufacturing Co., class A	10	10	10	10
Drug (Inc.)	13,378	18,443	16,270	17,800
Duplan Silk Corporation			50	
DuPont de Nemours (E. I.) & Co.	125,066	30,844	118,685	113,812

Statistics in regard to short selling, New York Stock Exchange, on April 1, 4, 5, and 6, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6
Eastman Kodak Co. of New Jersey	33,176	32,307	30,519	29,808
Eastman Kodak Co. of New Jersey, preferred	50	50	50	50
Eaton Manufacturing Co.	100	100	100	100
Eitingon Schild Co. (Inc.)	200	200	200	200
Eitingon Schild Co. (Inc.), preferred	50	50	50	50
Elec. & Musical Industries (Ltd.), American shares	345	405	605	585
Electric (The) Auto-Lite Co.	2,970	3,177	2,587	982
Electric (The) Auto-Lite Co., preferred		10	10	10
Electric Boat Co.	350	350	350	350
Electric Power & Light Corporation	25,358	20,908	17,085	16,920
Electric Power & Light Corporation, \$7 preferred		75	125	375
Electric Power & Light Corporation, \$6 preferred	25	275	125	125
Electric Storage Battery Co.	1,034	748	704	979
Endicott Johnson Corporation	76	56	36	36
Engineers Public Service Co., \$5 preferred	120	120	100	100
Engineers Public Service Co., \$5.50 preferred, without warrants	20	20	20	20
Engineers Public Service Co., \$6 preferred	100	100	100	100
Equitable Office Building Corporation	1,070	1,170	1,270	1,370
Erie R. R. Co.	2,190	1,965	1,865	1,865
Eureka Vacuum Cleaner Co.	310	310	310	300
Exchange Buffet Corporation	55	55	55	55
Fairbanks Morse & Co. (Inc.)	100			
Federal Light & Traction Co., preferred	2	2	2	2
Federal Motor Truck Co.	100	100	100	100
Federal Water Service Corporation, class A	234	234	309	309
Fidelity-Phenix Fire Insurance Co. of New York	50	50	140	440
Fifth Avenue Bus Securities Corporation	60	60	60	40
Filene's (Wm.) Sons Co., preferred	2	2	2	2
Firestone Tire & Rubber Co.	25	25	25	25
Firestone Tire & Rubber Co., preferred, without warrants	61	61	61	36
First National Stores (Inc.)	2,944	4,369	4,779	5,199
Fisk Rubber Co.	110	110	110	110
Food Machinery Corporation	300			
Foster Wheeler Corporation	250	250	250	250
Fourth National Investment Corporation, without warrants	500	500	590	590
Fox Film Corporation, class A	660	530	630	330
Freeport Texas Co.	1,116	969	1,108	894
Gabriel Co. (The), class A	100	100		
Gamewell Co. (The)		1	1	1
General American Investors Co. (Inc.), 6 per cent preferred, without warrants	50	50	50	50
General American Tank Car Corporation	1,056	1,326	1,311	1,421
General Asphalt Co.	300	300	300	400
General Baking Co.	1,025	725	845	845
General Bronze Corporation	10	10	10	10
General Cable Corporation, class A	165	165	165	165
General Cable Corporation, 7 per cent preferred	1	1	7	7
General Cigar Co. (Inc.)	5	5	45	75
General Electric Co.	119,425	106,112	95,052	91,806
General Electric Co., special	52	52	52	52
General Foods Corporation	11,985	14,110	13,770	13,580
General Gas & Electric Corporation, class A	98	98	98	98
General Gas & Electric Corporation, \$8 preferred	5	5	5	5
General Mills (Inc.)	365	365	365	365
General Motors Corporation	263,905	270,135	267,699	262,408
General Motors Corporation, preferred	200	440	190	200
General Outdoor Advertising Co. (Inc.)		10	10	10
General Public Service Corporation	18	218	18	118
General Railway Signal Co.	45	75	25	25
General Realty & Utilities Corporation	600	600	600	600
General Refractories Co.	220	220	220	220
Gillette Safety Razor Co.	27,157	30,731	31,692	31,075
Gillette Safety Razor Co., preferred	180	180	200	130
Gimbel Bros. (Inc.), preferred	490	490	490	490
Glidden Co. (The)	40	40	40	40
Glidden Co. (The), prior preferred	10	10	10	10
Gold Dust Corporation, voting trust certificates	1,294	2,450	2,612	1,437
Goodrich (B. F.) Co.	638	645	630	615
Goodyear Tire & Rubber Co.	13,257	8,972	6,770	6,570
Goodyear Tire & Rubber Co., first preferred	151	76	126	126
Gotham Silk Hosiery (Inc.)	1,085	1,085	1,085	1,385
Graham-Paige Motors Corporation	1,650	1,650	1,950	2,050
Graham Consolidated M. S. & P. Co. (Ltd.)	110	110	110	110
Grand (F. & W.) Silver Stores (Inc.)	750	650	650	660
Grand Union (The) Co., trust certificates	154	154	154	154
Grand Union (The) Co., convertible preferred	50	100		
Granite City Steel Co.	50	50	50	50
Grant (W. T.) Co.	1,315	1,040	1,080	805

Statistics in regard to short selling, New York Stock Exchange, on April 1, 4, 5, and 6, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6
Great Northern Iron Ore Properties, certificates of beneficial interest	100	100	100	150
Great Northern Ry. Co., preferred	317	327	477	467
Great Western Sugar Co.	25	25		
Great Western Sugar Co., preferred	112	142	140	140
Grigsby-Grunow Co.	282	429	318	218
Gulf States Steel Co.	28	28	28	28
Hahn Department Stores (Inc.)	500	500	520	500
Hahn Department Stores (Inc.), preferred	25			
Hall (W. F.) Printing Co.		200	200	
Hartman Corporation (The), class B		25	25	25
Hercules Powder Co., preferred	3	3		1
Hershey Chocolate Corporation	3,500	3,285	3,350	3,575
Holland Furnace Co.		600	600	600
Hollender (A.) & Son (Inc.)	40	40	40	40
Homestake Mining Co.	156	156	156	156
Houdaille-Hershey Corporation, class B	134	105	80	80
Household Finance Corporation, part preferred	150	150	150	125
Houston Oil Co. of Texas, certificates of beneficial interest	2,105	2,100	1,900	1,900
Houston Oil Co. of Texas (new), voting trust certificates	25	100		
Howe Sound Co., voting trust certificates	238	258	79	69
Hudson & Manhattan R. R. Co.	510	310	310	220
Hudson Motor Car Co.	490	1,190	1,090	590
Hupp Motor Car Co.	1,330	1,030	830	330
Illinois Central R. R. Co.	2,180	1,505	1,760	1,328
Illinois Central Leased Lines, sinking fund 4 per cent	40	40	40	40
Industrial Rayon Corporation	765	715	590	630
Ingersoll-Rand Co.	1,302	1,477	1,242	1,232
Inspiration Consolidated Copper Co.	200	200	200	200
Interboro Rapid Transit Co., voting trust certificates	1,460	1,135	1,385	1,285
Interlake Iron Corporation	300	300	300	300
International Business Machines Corporation	10,981	10,297	10,162	10,666
International Cement Corporation	320	600	200	200
International Combustion Engineering Corporation	115	115	170	170
International Combustion Engineering Corporation, convertible preferred	325	300	300	30
International Harvester Co.	11,865	14,290	12,825	11,815
International Harvester Co., preferred	410	410	485	480
International Hydro-Electric System, class A	2,989	2,389	2,589	2,489
International Match Corporation, particular preferred	4,105	3,840	3,740	3,340
International Mercantile Marine Co.	670	670	70	70
International Nickel of Canada (Ltd.)	4,895	5,545	8,120	6,999
International Nickel of Canada (Ltd.), preferred	480	480	480	480
International Paper & Power Co., class C	50	50	50	50
International Salt Co.				10
International Shoe Co.	1,320	1,320	1,520	1,750
International Silver Co.	150	150	150	100
International Silver Co., preferred	10	4	4	4
International Telephone & Telegraph Corporation	57,800	53,689	47,005	59,700
Interstate Department Stores (Inc.)	145	145	145	145
Jewel Tea Co. (Inc.)	725	525	475	475
Johns-Manville Corporation	9,378	9,716	8,931	9,366
Johns-Manville Corporation, preferred	20		2	2
Jones & Laughlin Steel Corporation, preferred		29	2	
Kansas City Southern Railway Co.	100	100		
Kansas City Southern Railway Co., preferred	15	10	10	10
Kaufmann Department Stores (Inc.)	100	100	100	100
Kayser (Julius) & Co.				260
Kelly-Springfield Tire Co.	320	435	400	400
Kelly-Springfield Tire Co., 6 per cent preferred	5	5	5	5
Kelly-Springfield Tire Co., 8 per cent preferred		24	24	24
Kelsey-Hayes Wheel Corporation	200			
Kelvinator Corporation	1,280	1,880	1,230	1,330
Kendall Co. (The), participating preferred A			8	8
Kennecott Copper Corporation	1,340	690	910	1,072
Kinney (G. R.) Co. (Inc.), preferred	8			
Kresge (S. S.) Co.	3,120	3,620	2,870	3,670
Kress (S. H.) & Co.		35	35	85
Kreuger & Toll Co., American certificates for debenture	181,420	118,771	87,889	77,489
Kroger Grocery & Baking Co.	2,143	1,943	2,543	2,543
Lambert Co. (The)	3,180	3,495	2,645	2,555
Lehigh Portland Cement Co.		200	200	300
Lehigh Portland Cement Co., preferred	118	30	30	30
Lehigh Valley Railroad Co.	45	45	30	30
Lehman Corporation (The)	1,320	1,555	1,725	1,925
Lehn & Fink Products Co.	70	70	70	70
Libbey-Owens-Ford Glass Co.	300	300	200	200
Liggett & Myers Tobacco Co., class B	8,241	8,666	8,411	8,561
Liquid Carbonic Corporation		25	50	120

Statistics in regard to short selling, New York Stock Exchange, on April 1, 4, 5, and 6, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6
Loew's (Inc.).....	4,460	3,937	4,802	6,217
Loew's (Inc.), preferred.....	50	50	50	50
Loft (Inc.).....	1,740	840	940	1,340
Loose-Wiles Biscuit Co.....			100	100
Lorillard (P.) Co.....	1,989	1,995	1,550	965
Louisiana Oil Refining Corporation, preferred.....		5	5	
Louisville & Nashville R. R. Co.....	307	207	257	207
Louisville Gas & Electric Co., class A.....	605	690	785	785
Ludlum Steel Co., preferred.....	25	25	25	25
Mack Trucks (Inc.).....	1,943	2,118	2,338	2,313
Macy Co. (Inc.) (R. H.).....	3,268	2,908	2,611	3,166
Manhattan Ry. Co., 7 per cent guaranteed.....		1	1	51
Manhattan Ry. Co., 5 per cent guaranteed.....	285	535	710	760
Manhattan Shirt Co.....	400	400	400	400
Marine Midland Corporation.....	865	865	775	765
Marlin Rockwell Corporation.....	100			
Marmon Motor Car Co.....	90	90	90	90
Marshall Field & Co.....	49	149	149	49
Mathieson Alkali Works.....	235	135	135	235
May Department Stores Co.....	242	207	237	237
Maytag (The) Co.....	100	100	100	100
McCrory Stores Corporation.....	50	50	50	50
McGraw-Hill Publishing Co. (Inc.).....	200	100	100	100
McKeesport Tin Plate Co.....	3,733	2,943	2,758	2,697
McKesson & Robbins (Inc.).....	100			800
McKesson & Robbins (Inc.), preferred A.....	25	25	25	25
Melville Shoe Corporation.....	100	100	100	100
Metro-Goldwyn Pictures Corporation, preferred.....	50	150	150	150
Miami Copper Co.....	20	20	20	20
Midland Steel Products Co.....	220	20	20	20
Midland Steel Products Co., first preferred.....	50	50	50	00
Minneapolis-Honeywell Regulator Co.....	15	15	15	50
Minneapolis-Moline Power Implement Co.....	50	50	850	915
Missouri, Kansas & Texas R. R. Co.....	115	115	90	59
Missouri, Kansas & Texas R. R. Co., preferred.....	110	100	100	135
Missouri Pacific R. R. Co.....	6,630	6,855	6,705	7,105
Missouri Pacific R. R. Co., preferred.....	2,825	2,630	2,730	2,940
Monsanto Chemical Works.....		100	100	100
Montgomery Ward & Co. (Inc.).....	4,592	4,370	4,074	3,774
Morrell (John) & Co. (Inc.).....	505	505	505	405
Motor Products Corporation.....	350	200	185	18
Motor Wheel Corporation.....	50	50	50	50
Mullins Manufacturing Corporation.....			50	50
Mullins Manufacturing Corporation, preferred.....		5	5	5
Murray Corporation of America (The).....	655	130	430	230
Nash Motors Co. (The).....	6,605	9,675	7,060	6,135
Nashville, Chattanooga & St. Louis Ry. Co.....	2	2	2	2
National Air Transport (Inc.).....	30			
National Biscuit Co.....	9,252	10,134	9,010	10,361
National Cash Register Co. (The), class A.....	1,440	1,955	2,085	2,065
National Dairy Products Corporation.....	11,531	11,865	11,238	11,408
National Department Stores (Inc.).....	57	57	57	57
National Distillers Products Corporation.....	233	225		
National Distillers Products Corporation, preferred.....	9			
National Lead Co.....	1,210	1,335	1,220	1,240
National Lead Co., 7 per cent class A.....		10		2
National Lead Co., 6 per cent preferred, class B.....	2	1	1	1
National Power & Light Co.....	7,845	6,125	7,215	8,665
National Railways of Mexico, first preferred.....	0	30	30	30
National Railways of Mexico, second preferred.....	50	50	50	50
National Steel Corporation.....	3,585	4,055	5,670	5,945
National Surety Co.....	235	235	235	135
National Tea Co.....	100	100	5	
Nevada Consolidated Copper Co.....	300	300	400	500
New York Central R. R. Co.....	48,966	55,263	52,882	52,327
New York, Chicago & St. Louis R. R. Co.....	100	100	100	100
New York, New Haven & Hartford R. R. (The).....	7,321	5,874	5,579	5,284
New York, New Haven & Hartford R. R. (The), preferred.....	30	40	40	67
New York, Ontario & Western Ry. Co.....	190	190	190	290
New York Shipbuilding Corporation, part.....				10
New York Shipbuilding Corporation, preferred.....			10	
New York Steam Corporation, \$7 preferred.....	40	40	40	45
New York Steam Corporation, \$6 preferred.....	20	20	20	25
Noranda Mines (Ltd.).....	845	755	720	620
Norfolk & Western Ry. Co.....	1,837	2,257	2,205	2,532
North American Aviation (Inc.).....	2,240	2,140	2,240	2,040
North American Co. (The).....	79,853	86,057	81,764	85,272
North American Co. (The), preferred.....	200	200	100	600

STOCK EXCHANGE PRACTICES

Statistics in regard to short selling, New York Stock Exchange, on April 1, 4, 5, and 6, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6
North American Edison Co., preferred.....				10
Northern Pacific Ry. Co.....	823	1,053	833	928
Ohio Oil Co. (The).....	379	729	329	300
Otis Elevator Co.....	784	939	684	619
Otis Steel Co.....			25	25
Otis Steel Co., preferred.....			10	20
Owens-Illinois Glass Co.....	100	100	100	100
Pacific Gas & Electric Co.....	4,695	5,042	6,202	6,572
Pacific Lighting Corporation.....	905	755	565	485
Pacific Telephone & Telegraph Co.....	346	290	454	744
Pacific Telephone & Telegraph Co., preferred.....	20	20	20	20
Packard Motor Co.....	5,005	5,091	5,196	6,686
Panhandle Producing & Refining Co., preferred.....	4	4	4	4
Paramount Public Corporation.....	24,472	22,138	22,438	21,931
Pathe Exchange (Inc.).....	75	75	75	75
Patino M. & E. Consolidation (Inc.), American shares.....	1,200	1,200	1,200	1,200
Peerless Motor Car Corporation.....	100	100	100	100
Penick & Ford (Ltd.) (Inc.).....	38	38	28	28
Penney (J. C.) Co.....	2,315	2,840	2,640	2,900
Pennsylvania-Dixie Cement Corporation, preferred.....	20	20	8	8
Pennsylvania R. R. Co.....	10,944	12,709	11,955	13,387
Peoples Drug Stores (Inc.).....	372		372	372
Peoples Gas Light & Coke Co. of Chicago.....	2,063	2,085	1,748	1,848
Pere Marquette Ry. Co., preferred.....	1	1	1	20
Petroleum Corporation of America.....	300		10	10
Phelps Dodge Corporation.....	172	172	147	247
Philadelphia & Reading Coal & Iron Corporation.....	500	500	500	500
Phillips-Jones Corporation, preferred.....	30	30	25	25
Philip-Morris & Co. (Ltd.) (Inc.).....	200	200	200	200
Phillips Petroleum Co.....	581	466	383	307
Pierce-Arrow Motor Car Co., class A.....			115	115
Pierce-Arrow Motor Car Co., preferred.....	230	230	228	210
Pierce Petroleum Corporation.....	1,000	1,000	1,000	1,000
Pillsbury Flour Mills (Inc.).....	25	25	125	525
Pirelli Co. of Italy, American shares.....	100	100	100	100
Pittsburgh Coal Co. (of Pennsylvania).....	156	156	156	156
Pittsburgh Coal Co. (of Pennsylvania), preferred.....	70	70	70	180
Pittsburgh Steel Co., preferred.....		2	2	2
Poor & Co., class B.....	10	10	10	
Prairie Oil & Gas Co. (The).....	150	150	150	150
Prairie Pipe Line Co. (The).....	945		745	745
Procter & Gamble Co.....	3,821	3,471	2,846	3,651
Public Service Corporation of New Jersey.....	13,771	14,629	14,524	15,009
Public Service Corporation of New Jersey, 7 per cent preferred.....				
Public Service Corporation of New Jersey, 6 per cent preferred.....	2	2	2	2
Pullman (Inc.).....	3	3	3	2
Pure Oil Co. (The).....	3,935	3,430	3,565	3,695
Pure Oil Co. (The), preferred.....	402	302	302	302
Purity Bakeries Corporation.....	20	10	10	1
Radio Corporation of America.....	2,815	2,350	2,350	2,350
Radio Corporation of America, 7 per cent preferred A.....	20,879	18,224	18,064	16,284
Radio Corporation of America, \$5 preferred E.....	250	150	150	150
Radio-Keith-Orpheum Corporation, new.....	1,086	1,086	891	891
Raybestos-Manhattan (Inc.).....	6,129	6,074	6,049	6,059
Reading Co.....	110	110	125	110
Real Silk Hosiery Mills (Inc.).....	2,425	2,350	2,275	2,275
Remington Rand (Inc.).....	100	100	100	100
Reo Motor Car Co.....	25	55	235	235
Republic Steel Corporation.....	305	305	305	305
Republic Steel Corporation, preferred.....	1,064	669	569	569
Reynolds Metals Co.....	200	200	200	200
Reynolds Metals Co.....	300	300	200	200
Reynolds (R. J.) Tobacco Co.....	45	49	52	42
Reynolds (R. J.) Tobacco Co., class B.....	7,188	7,163	9,626	10,190
Richfield Oil Co. of California.....	700	600	600	600
Rossia Insurance Co. of America.....	500	600	500	500
Royal Dutch Co., certificates of ordinary stock, New York shares.....	21,145	19,915	19,160	17,600
Safeway Stores (Inc.).....	6,437	7,352	7,667	8,042
Safeway Stores (Inc.), 7 per cent preferred.....	91	2	20	20
Safeway Stores (Inc.), 6 per cent preferred.....	16	31	31	31
St. Joseph Lead Co.....	100	100	100	100
St. Louis-San Francisco Ry. Co.....	1,527	1,625	1,625	1,525
Savage Arms Corporation.....	300			
Schulte Retail Stores Corporation.....	70	70	70	70
Seaboard Air Line Ry. Co.....	245	245	245	245
Seaboard Oil Co. of Delaware.....	915	940	740	1,240

Statistics in regard to short selling, New York Stock Exchange, on April 1, 4, 5, and 6, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6
Sears Roebuck & Co.	16,103	15,406	15,170	13,865
Servel (Inc.)	1,020	970	620	620
Sharp & Dohme (Inc.)	100	100		
Shattuck (Frank G.) Co.	980	1,295	895	295
Shell Union Oil Corporation	286	366	266	111
Shell Union Oil Corporation, preferred	10	50	50	50
Simmons Co.	524	399	399	399
Sinclair Consolidated Oil Corporation ¹	33,853			
Sinclair Consolidated Oil Corporation, preferred ¹	163			
Skelly Oil Co.	300	300	325	125
Gloss Sheffield Steel & Iron Co.	40	40	40	40
Snider Packing Corporation	100			
Snider Packing Corporation, preferred	100	100	100	100
Socony-Vacuum Corporation	6,193	7,060	6,360	5,860
Solvay American Investment Corporation, preferred with- out warrants	100	100	100	100
South Porto Rico Sugar Co.	300	350	350	350
Southern California Edison Co. (Ltd.)	4,260	4,694	3,844	4,144
Southern Pacific Co.	7,948	7,298	7,633	7,993
Southern Ry. Co.	630	700	700	706
Southern Ry. Co., 5 per cent preferred	80	180	180	180
Spalding (A. G.) & Bros.	200	200	200	200
Spalding (A. G.) & Bros., first preferred	20	20	20	20
Sparks-Withington (The) Co.	600	100	100	100
Spencer Kellogg & Sons (Inc.)	25	25	25	25
Spicer Manufacturing Corporation			15	15
Spiegel May Stern Co. (Inc.)	200	200	200	200
Standard Brands (Inc.)	11,334	10,869	8,135	7,190
Standard Commercial Tobacco Co. (Inc.)			30	30
Standard Gas & Electric Co.	6,887	6,657	8,177	8,052
Standard Gas & Electric Co., \$4 preferred	165	215	140	240
Standard Gas & Electric Co., \$7 preferred	10			
Standard Oil of California (Delaware)	2,756	2,591	2,511	2,121
Standard Oil Co. of New Jersey	46,472	46,997	47,754	47,475
Starrett (The L. S.) Co.	50	50	50	50
Sterling Securities Corporation, class A	200			
Sterling Securities Corporation, \$1.20 preferred	10	10	10	10
Stewart-Warner Corporation	45	255		
Stone & Webster (Inc.)	723	1,723	1,698	1,808
Studebaker Corporation	870	1,225	1,295	1,295
Studebaker Corporation, preferred	120	236	186	151
Sun Oil Co.	240	365	365	345
Superheater Co. (The)	90	90	90	90
Superior Oil Corporation	150	150	150	150
Superior Steel Corporation	10	10	10	10
Telautograph Corporation	100		10	10
Tennessee Corporation	450	450	450	450
Texas (The) Corporation	4,518	5,041	4,301	4,612
Texas Gulf Sulphur Co.	1,483	2,358	2,343	2,363
Texas Pacific Coal & Oil Co.	200	200	200	200
Texas Pacific Land Trust., Cfs. Sub. Shares				60
Thatcher Manufacturing Co.	100	100	100	200
Third Avenue Railway Co.	100	100	100	100
Third National Investors Corporation			10	10
Thompson (John R.) Co.	100			
Thompson Products (Inc.)	216	216	216	216
Tide Water Associated Oil Co.	10	10	10	510
Tide Water Associated Oil Co., preferred	390	350	350	350
Tide Water Oil Co.	100	100	100	100
Timken-Detroit Axle Co. (The)	20			10
Timken Roller Bearing Co. (The)	6,630	7,835	7,365	7,315
Transamerica Corporation	10,125	10,125	10,425	10,525
Tri-Continental Corporation	500	400	400	1,500
Tri-Continental Corporation, preferred	125	170	170	320
Trico Products Corporation	100	245	715	715
Underwood Elliott Fisher Co.	850	650	650	550
Union Carbide & Carbon Corporation	34,528	37,332	35,124	33,296
Union Oil Co. of California	1,704	1,704	1,634	1,634
Union Pacific R. R. Co.	14,195	14,923	12,826	13,660
United Aircraft & Transport Corporation	5,837	4,627	4,304	5,231
United Aircraft & Transport Corporation, preferred, with- out warrants	225	425	232	225
United Biscuit Co. of America	60	60	160	100
United Carbon Co.	472	430	410	410
United Corporation	32,148	29,879	26,288	24,154
United Corporation, preferred	1,182	1,142	1,167	1,158
United Electric Coal Co.	100	150	100	100
United Fruit Co.	1,859	1,464	1,294	1,561

¹Stricken from the list Apr. 1, 1932.

Statistics in regard to short selling, New York Stock Exchange, on April 1, 4, 5, and 6, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6
United Gas & Improvement Co.	17,629	15,305	22,115	25,094
United Gas & Improvement Co., preferred	10	110	110	110
United States Foreign Securities Corporation	100	100	100	100
United States Gypsum Co.	315	290	290	190
United States Gypsum Co., preferred			10	
United States Industrial Alcohol Co.	2,266	2,301	1,825	1,970
United States Leather Co., voting trust certificates	50	150	150	150
United States Leather Co., preferred, voting trust certificates	100	100	100	100
United States Leather Co., class A voting trust certificates	10	10	10	10
United States Pipe & Foundry Co.		310	320	670
United States Realty & Improvement Co.	400	500	900	2,975
United States Rubber Co.	1,292	1,452	1,432	1,472
United States Rubber Co., preferred	163	763	163	263
United States Smelting, Refining & Mining Co.	540	450	750	450
United States Smelting, Refining & Mining Co., preferred			100	
United States Steel Corporation	386,422	363,436	364,260	361,698
United States Steel Corporation, preferred	13,805	12,165	12,122	13,352
United Stores Corporation, class A	14	14	14	39
United Stores Corporation, \$6 preferred	352	427	677	1,047
Universal Leaf Tobacco Co. (Inc.)			90	90
Universal Pictures Co. (Inc.), preferred	40	40	40	45
Utilities Power & Light Corporation, class A	4,420	3,670	3,785	3,810
Vanadium Corporation of America	3,860	3,650	3,512	4,822
Virginia-Carolina Chemical Corporation, 7 per cent preferred	45	45	45	45
Virginia-Carolina Chemical Corporation, 6 per cent preferred		200		
Virginia Electric & Power, preferred	14	5		25
Vulcan Detinning Co.	70	80	70	70
Wabash Ry. Co.	225	225	225	300
Waldorf System (Inc.)	735	710	635	635
Ward Baking Corporation, class B	100	100	100	100
Warner Bros Pictures (Inc.)	2,280	2,880	2,405	2,405
Warner Bros. Pictures (Inc.), preferred	50	50	50	50
Warren Bros. Co.	100	100	100	474
Wesson Oil & Snowdrift Co. (Inc.)	650	710	660	1,260
West Penn Electric Co., 6 per cent preferred	9	34	9	9
West Penn Electric Co., 7 per cent preferred		8		
West Penn Power Co., 7 per cent preferred		8	6	6
West Penn Power Co., 6 per cent preferred		8	8	7
Western Maryland Ry. Co.	825	625	625	625
Western Pacific Railroad Corporation, preferred	2	2	12	12
Western Union Telegraph Co.	32,346	30,623	29,563	29,766
Westinghouse Air Brake (The) Co.	1,652	1,652	1,621	1,521
Westinghouse Electric & Manufacturing Co.	139,800	126,850	124,665	125,107
Westinghouse Electric & Manufacturing Co., preferred			10	10
Westvaco Chlorine Products Co.	100	100	100	100
Wheeling & Lake Erie Ry. Co.	5	5	5	5
Wheeling Steel Corporation, preferred	50	50	50	50
White Motor Co. (The)	200	100	100	100
Wilcox (H. F.) Oil & Gas Co.	500	500	500	400
Willys-Overland Co. (The)	298	298	298	298
Willys-Overland Co. (The), preferred	100	100	100	100
Wilson & Co. (Inc.)	100	100	100	100
Wilson & Co. (Inc.), preferred	100	100	100	100
Woolworth (F. W.) Co.	51,853	56,703	54,963	51,863
Worthington Pump & Machinery Corporation	1,600	890	1,010	1,010
Worthington Pump & Machinery Corporation, preferred B			50	50
Wrigley (Wm.) Jr., Co. (Delaware)	550	740	1,770	2,050
Yellow Truck & Coach Manufacturing Co., class B	144	144	144	174
Yellow Truck & Coach Manufacturing Co., preferred			10	10
Young (L. A.) Spring & Wire Corporation	100	100	100	100
Youngstown Sheet & Tube Co., unstimulated	125	125	125	125
Zenith Radio Corporation			35	
Number of shares of total short interest ¹	3,279,398	3,189,596	3,059,658	3,063,927
Net change, plus or minus ²	-19,870	-89,802	-129,938	+4,269
Total number of stocks in which a short interest was reported	590	592	602	608
Total shares traded in on New York Stock Exchange	1,500,000	1,600,000	1,500,000	2,100,000
Number of shares sold short and covered the same day	105,900	59,300	89,300	
Per cent of short sales covered the same day to total transactions	7.06	5.93	5.95	
Total shares reported by 3 odd-lot houses	147,284	144,746	146,483	151,553

¹ Number of shares of total short interest on Apr. 7, 2,849,895.

² Net change, plus or minus, -214,032.

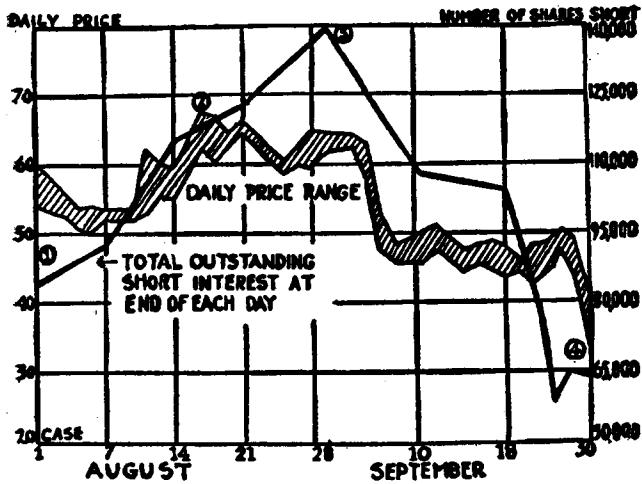
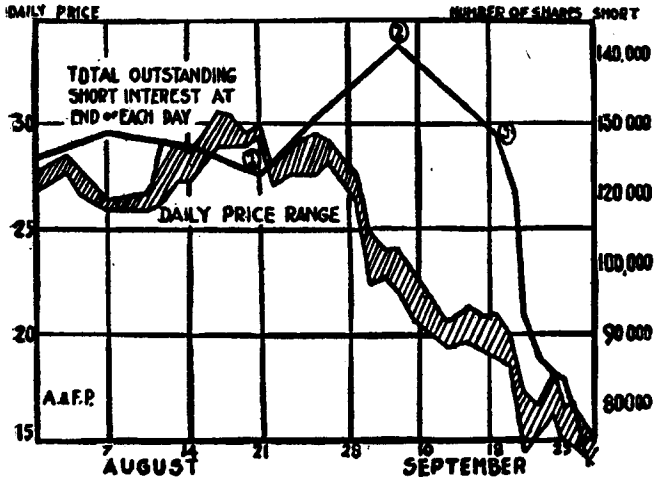
STOCK EXCHANGE PRACTICES

EXHIBIT No. 21, APRIL 21, 1932

(See p. 236, this hearing)

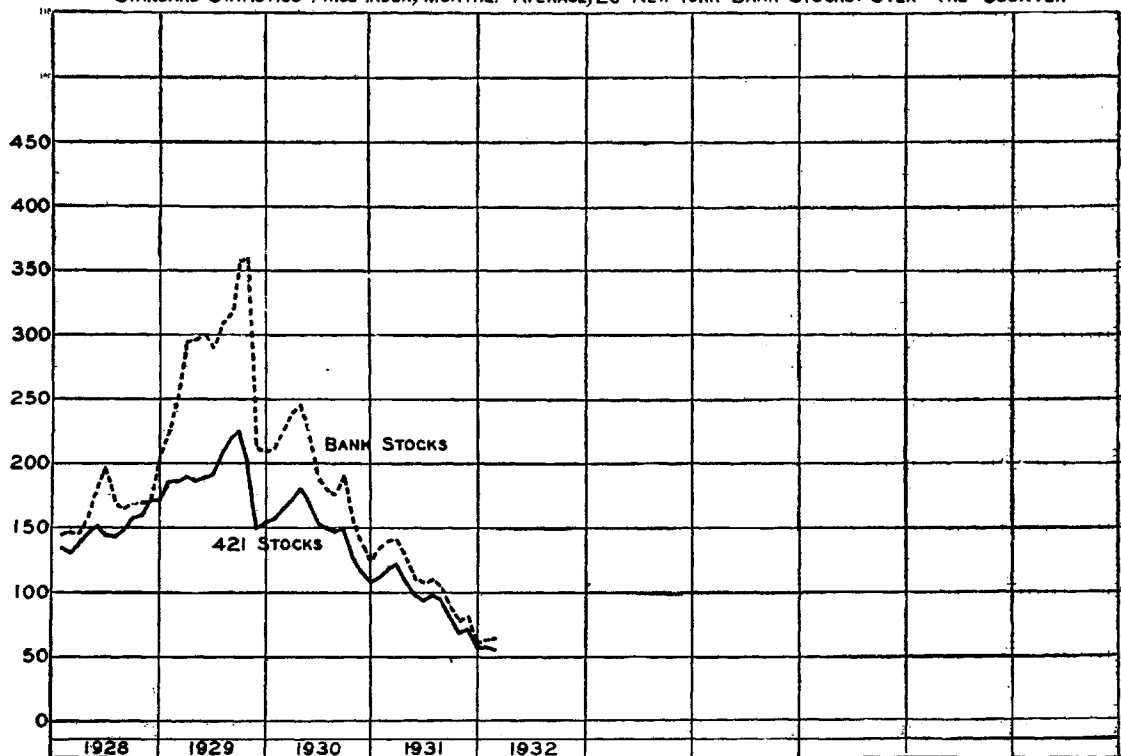
CHARTS SHOWING SHORT INTEREST IN AMERICAN AND FOREIGN POWER

(See pp. 239, 240, this hearing)



COMPARISON, LISTED STOCKS—BANK STOCKS

STANDARD STATISTICS PRICE INDEX; MONTHLY AVERAGE; 421 INDUSTRIAL, RAIL AND UTILITIES STOCKS. LISTED
STANDARD STATISTICS PRICE INDEX; MONTHLY AVERAGE; 20 NEW YORK BANK STOCKS. OVER - THE - COUNTER



STOCK EXCHANGE PRACTICES

EXHIBIT No. 22, APRIL 21, 1932

(See p. 244, this hearing)

EXHIBIT No. 23, APRIL 21, 1932

(Supplement thereto, see p. 263 of this hearing)

Items valued at \$500,000 or over included in detail of "shorts" at November 12, 1928

Security	Shares	Price	Value
Adams Express.....	25,750	\$22	\$566,500
Allied Chemical & Dye Corporation.....	7,500	201	1,507,500
American Can.....	14,900	96	1,430,400
American & Foreign Power Co.....	11,900	55	654,500
American Telephone & Telegraph Co.....	14,600	203	2,963,000
Anaconda Copper Mining Co.....	55,000	77	4,235,000
Atchison, Topeka & Santa Fe Ry.....	8,300	209	1,734,700
Baltimore & Ohio R. R.....	6,500	110	715,000
Bethlehem Steel.....	36,200	81	2,932,200
Canadian Pacific Ry.....	6,700	195	1,306,500
Coca-Cola Co.....	5,200	116	603,200
Columbia Gas & Electric Corporation.....	10,360	55	569,800
Consolidated Gas Co.....	13,200	85	1,122,000
Du Pont de Nemours & Co.....	7,500	90	675,000
General Electric.....	23,600	184	4,342,400
General Motors.....	145,200	39	5,662,800
International Combustion Engineering.....	67,100	9	603,900
International Nickel Co.....	42,900	29	1,244,100
International Telephone & Telegraph.....	13,900	60	834,000
Kennecott Copper Co.....	12,300	56	688,800
Montgomery Ward.....	15,600	50	780,000
National Dairy Products.....	14,800	45	666,000
New York Central R. R.....	9,300	163	1,515,900
Pennsylvania R. R.....	8,300	80	664,000
Radio Corporation.....	24,400	30	732,000
Sears, Roebuck.....	9,600	88	844,800
Standard Oil of New Jersey.....	14,300	54	772,200
Texas Gulf Sulphur.....	11,200	48	537,600
Union Carbide & Carbon.....	7,800	65	507,000
Union Pacific.....	3,100	203	629,300
United States Freight.....	17,600	89	1,566,400
United States Steel.....	86,200	155	13,188,600
Westinghouse Electric.....	8,900	110	979,000
	759,710	-----	57,774,100

COMPARISON

Total shares short as above, 1,691,883; total shares listed on exchange November 1, 1,110,419,105 equals 0.001524 or $\frac{1}{656}$ of 1 per cent.

Value of total shares short as above, \$89,611,115; total value of shares listed on exchange November 1, \$71,752,650,908, equals 0.001249 or $\frac{1}{797}$ of 1 per cent.

Total short position at November 12, 1929, valued at \$500,000 or over

Security	Total shares short	Total shares listed	Price	Value of total shares short	Value of total shares listed
Adams Express.....	25,750	1,200,000	\$22	\$566,500	\$26,400,000
Allied Chemical & Dye Corporation.....	7,500	2,178,109	201	1,507,500	437,799,909
American Can.....	14,900	2,473,998	96	1,430,400	237,503,808
American & Foreign Power Co.....	11,900	1,611,008	55	654,500	88,605,440
American Telephone & Telegraph Co.....	14,600	13,209,176	203	2,963,000	2,681,462,728
Anaconda Copper Mining Co.....	55,000	8,811,668	77	4,235,000	678,498,282
Atchison, Topeka & Santa Fe Ry.....	8,300	2,416,828	209	1,734,700	505,117,052
Baltimore & Ohio R. R.....	6,500	2,529,221	110	715,000	278,214,310
Bethlehem Steel.....	36,200	3,197,540	81	2,932,200	259,000,740
Canadian Pacific Ry.....	6,700	3,000,000	195	1,306,500	585,000,000
Coca-Cola Co.....	5,200	1,000,000	116	603,200	116,000,000
Columbia Gas & Electric Corporation.....	10,360	8,477,591	55	569,800	468,267,505
Consolidated Gas Co.....	13,200	11,454,951	85	1,122,000	973,670,835
Du Pont de Nemours & Co.....	7,500	10,322,481	90	675,000	929,023,290
General Electric.....	23,600	7,211,494	184	4,342,400	1,326,913,056
General Motors.....	145,200	43,500,000	39	5,662,800	1,696,500,000
International Combustion Engineering.....	67,100	1,049,513	9	603,900	9,445,617
International Nickel Co.....	42,900	13,778,878	29	1,244,100	399,587,462
International Telephone & Telegraph Co.....	13,900	5,842,975	60	834,000	350,578,500
Kennecott Copper Co.....	12,300	9,383,290	56	688,800	525,464,240
Montgomery Ward.....	15,600	4,620,768	50	780,000	231,038,400

Total short position at November 12, 1929, valued at \$500,000 or over—Contd.

Security	Total shares short	Total shares listed	Price	Value of total shares short	Value of total shares listed
National Dairy Products.....	14, 800	5, 094, 659	\$45	\$666, 000	\$229, 259, 655
New York Central R. R.....	9, 300	4, 637, 086	163	1, 515, 900	755, 845, 018
Pennsylvania R. R.....	8, 300	11, 438, 750	80	664, 000	915, 100, 000
Radio Corporation.....	24, 400	6, 577, 515	30	732, 000	197, 325, 450
Sears, Roebuck.....	9, 600	4, 589, 908	88	844, 800	403, 911, 904
Standard Oil of New Jersey.....	14, 300	24, 853, 643	54	772, 200	1, 342, 096, 722
Texas Gulf Sulphur.....	11, 200	2, 540, 000	48	537, 600	121, 920, 000
Union Carbide & Carbon.....	7, 800	9, 203, 266	65	507, 000	598, 212, 290
Union Pacific.....	3, 100	2, 222, 916	203	629, 300	451, 251, 948
United States Freight.....	17, 600	299, 708	89	1, 566, 400	26, 674, 012
United States Steel.....	86, 200	8, 131, 100	153	13, 188, 600	1, 244, 058, 300
Westinghouse Electric.....	8, 900	2, 589, 265	110	979, 000	284, 819, 150
	759, 710	234, 447, 293	-----	57, 774, 100	19, 372, 565, 623

COMPARISON

Total shares short as above, 759,710; total shares listed as above, 234,447,293 equals 0.00324 or $\frac{324}{1000}$ of 1 per cent.

Value of total shares short as above, 57,774,100; value of total shares listed as above, 19,372,565,523 equals 0.00298 or $\frac{298}{1000}$ of 1 per cent.

Shorts November 12, 1929

Security	Shares	Price	Value
Abitibi Power & Paper Co.....	600	\$39	\$23, 400
Abitibi Power & Paper Co., preferred.....	100	70	7, 000
Adams Express Co.....	25, 750	22	566, 500
Advance Rumely Co.....	500	12	6, 000
Advance Rumely Co., preferred.....	900	18	16, 200
Ahumada Lead Co.....	400	$\frac{7}{8}$	350
Air Reduction Co.....	4, 300	80	344, 000
Ajax Rubber Co.....	200	2	400
Alaska Juneau Gold Mining Co.....	400	4	1, 600
Albany Wrapping Paper Co.....	1, 300	10	13, 000
Alleghany Corporation.....	6, 000	20	120, 000
Alleghany Corporation, preferred.....	1, 000	95	95, 000
Allied Chemical & Dye Corporation.....	7, 500	201	1, 507, 500
Allied Chemical & Dye Corporation, preferred.....	100	120	12, 000
Allis Chalmers Manufacturing Co.....	500	38	19, 000
Alpha Portland Cement.....	200	28	5, 600
Amerada Corporation.....	300	20	6, 000
American Agricultural Chemical Co.....	1, 800	5	9, 000
American Agricultural Chemical Co., preferred.....	200	23	4, 600
American Bank Note Co.....	400	80	32, 000
American Bank Note Co., preferred.....	100	63	6, 300
American Beet Sugar Co.....	100	9	900
American Bosch Magneto Corporation.....	200	29	5, 800
American Brake Shoe & Foundry.....	1, 000	43	43, 000
American Brown Boveri Electric Corporation.....	2, 000	7	14, 000
American Brown Boveri Electric Corporation, preferred.....	100	60	6, 000
American Chiclé Co.....	400	30	12, 000
American Can Co.....	14, 900	96	1, 430, 400
American Can Co., preferred.....	200	136	27, 200
American Car & Foundry Co.....	100	75	7, 500
American Car & Foundry Co., preferred.....	100	114	11, 400
American Commercial Alcohol.....	400	20	8, 000
American Encaustic Tiling Co.....	500	22	11, 000
American Express Co.....	600	205	123, 000
American & Foreign Power Co.....	11, 900	55	654, 500
American & Foreign Power Co., second preferred.....	800	89	71, 200
American Hide & Leather, preferred.....	200	28	5, 600
American Hawaiian Steamship.....	2, 200	20	44, 000
American Home Products Corporation.....	1, 400	44	61, 600
American Ice Co.....	1, 000	31	3, 100
American International Corporation.....	3, 400	30	102, 000
American LaFrance & Foamite Corporation.....	300	3	900
American Locomotive Co.....	1, 200	92	100, 400
American Locomotive Co., preferred.....	100	111	11, 100
American Metal Co.....	200	39	7, 800
American Piano Co.....	200	8	1, 600
American Piano Co., preferred.....	100	17	1, 700

Shorts November 12, 1929—Continued

Security	Shares	Price	Value
American Power & Light Co.	700	\$65	\$45,500
American Power & Light Co., A.	200	70	14,000
American Radiator & Standard Sanitary	3,400	30	102,000
American Radiator & Standard Sanitary, preferred	100	130	13,000
American Rolling Mill Co.	600	75	45,000
American Safety Razor Corporation	100	51	5,100
American Seating Co.	700	22	15,400
American Ship & Commerce Corporation	100	1	100
American Smelting & Refining Co.	2,000	66	132,000
American Snuff Co.	500	40	20,000
American Steel Foundries Co.	800	40	32,000
American Stores	200	43	8,600
American Sugar Refining Co.	1,400	58	81,200
American Sugar Refining Co., preferred	100	100	10,000
American Telephone & Telegraph Co.	14,600	203	2,963,800
American Tobacco Co.	800	178	142,400
American Tobacco Co., B.	2,100	178	369,600
American Type Founders	200	123	24,600
American Water Works & Electric Co.	400	52	20,800
American Water Works & Electric Co., preferred	900	100	90,000
American Woolen Co.	5,900	8	39,200
American Woolen Co., preferred	1,900	20	38,000
American Writing Paper Co.	100	5	500
American Zinc, Lead & Smelting Co.	100	7	700
American Zinc, Lead & Smelting Co., preferred	100	55	5,500
Anaconda Copper Mining Co.	55,000	77	4,235,000
Anchor Cap Corporation	2,300	35	80,500
Anchor Cap Corporation, preferred	400	102	40,800
Andes Copper Mining Co.	500	33	16,500
Archer Daniels Midland	100	25	2,500
Armour & Co., A.	1,700	6	10,200
Armour & Co., B.	500	3	1,500
Armour & Co., preferred	600	62	37,200
Arnold Constable Corporation	500	8	4,000
Artloom Corporation	100	20	2,000
Art Metal Construction Co.	200	24	4,800
Associated Apparel	1,600	37	59,200
Associated Dry Goods Corporation	400	28	11,200
Atchison, Topeka & Santa Fe Ry.	8,300	209	1,734,700
Atchison, Topeka & Santa Fe Ry., preferred	100	100	10,000
Atlantic Coast Line R. R.	500	165	82,500
Atlantic Gulf & West Indies Steamship	700	66	46,200
Atlantic Gulf & West Indies Steamship, preferred	100	55	5,500
Atlantic Refining Co.	8,000	38	304,000
Atlas Powder Co.	1,300	80	104,000
Auburn Motors	500	137	68,500
Austin Nichols & Co.	500	4	2,000
Auto Strop Safety Razor Co.	300	35	10,500
Aviation Corporation	2,800	6	16,800
Baldwin Locomotive	2,800	22	61,600
Baltimore & Ohio R. R.	6,500	110	715,000
Barnsdall Corporation, A.	2,600	22	57,200
Beacon Oil	100	17	1,700
Belding-Heminway Co.	500	6	3,000
Bendix Aviation	5,900	29	171,100
Best & Co.	500	31	15,500
Bethlehem Steel	36,200	81	2,932,200
Bethlehem Steel, preferred	200	130	24,000
Bloomington Bros.	100	25	2,500
Bon Ami Co.	200	71	14,200
Booth Fisheries Co.	100	4	400
Borden Co.	300	59	17,700
Borg Warner	4,500	30	135,000
Briggs Manufacturing Co.	2,000	11	22,000
Briggs & Stratton	100	25	2,500
British Empire Steel	400	2	800
Brockway Motor Truck Corporation	500	15	7,500
Brooklyn-Manhattan Transit Corporation	300	49	14,700
Brooklyn & Queens Transit	300	8	2,400
Brooklyn Union Gas	200	103	20,600
Brown Shoe Co.	3,200	41	131,200
Brunswick Balke-Collender Co.	100	20	2,000
Bucyrus Erie Co., preferred	800	112	89,600
Bucyrus Erie	200	20	4,000
Budd, E. G., Manufacturing	200	10	2,000
Bullard Co.	300	30	9,000
Burns, Bros., A.	100	91	9,100
Burns Bros., B.	200	25	5,000
Burns Bros., preferred	50	90	4,500
Burroughs Adding Machine Co.	2,800	39	109,200
Bush Terminal Co.	100	34	3,400
Butte Copper & Zinc Co.	1,100	4	4,400

Shorts November 12, 1929—Continued

Security	Shares	Price	Value
Butte & Superior Mining.....	100	\$6	\$600
Byers Co. (A. M.).....	800	52	41,600
California Packing Corporation.....	500	69	34,500
Callahan Zinc-Lead Co.....	300	1	300
Calumet & Arizona Mining Co.....	800	80	64,000
Calumet & Hecla Consolidated Copper Co.....	800	30	24,000
Campbell-Wyant.....	100	22	2,200
Canada Dry Ginger Ale.....	400	55	22,000
Canadian Pacific Ry.....	6,700	195	1,306,500
Cannon Mills Co.....	300	31	9,300
Capital Administration, A.....	300	21	6,300
Carolina, Chinchfield & Ohio Ry.....	200	79	15,800
Case Threshing Machine.....	300	130	39,000
Celotex Co.....	100	35	3,500
Central Alloy Steel Corporation.....	1,190	35	41,650
Cerro de Pasco Copper Corporation.....	900	59	53,100
Certainfeed Products.....	500	12	6,000
Checker Cab.....	7,600	33	250,800
Chesapeake Corporation.....	500	42	21,000
Chesapeake & Ohio.....	800	173	138,400
Chicago & Alton R. R. Co.....	1,200	4	4,800
Chicago & Alton R. R., preferred.....	100	4	400
Chicago Great Western.....	700	8	5,600
Chicago Great Western, preferred.....	200	24	4,800
Chicago, Milwaukee, St. Paul & Pacific R. R.....	5,400	19	102,600
Chicago, Milwaukee, St. Paul & Pacific R. R., preferred.....	1,900	31	55,800
Chicago North Western.....	1,500	8	12,000
Chicago Pneumatic Tool.....	1,400	26	36,400
Chicago Pneumatic Tool, 3½ per cent preferred.....	700	48	33,600
Chicago, Rock Island & Pacific.....	1,700	108	183,800
Chicago, Rock Island & Pacific, 6 per cent preferred.....	100	97	9,700
Chicago, Rock Island & Pacific, 7 per cent preferred.....	200	103	20,600
Childs Co.....	300	48	14,400
Chile Copper Co.....	200	65	13,000
Chrysler Corporation.....	11,100	30	333,000
City Ice & Fuel Co.....	200	43	8,600
Cities Stores Co.....	4,300	38	163,400
Cluett, Peabody & Co.....	100	37	3,700
Coca-Cola Co.....	5,200	116	603,200
Collins & Aikman Corporation.....	600	12	7,200
Colorado Fuel & Iron Co.....	600	30	18,000
Columbia Gas & Electric Corporation.....	10,360	55	569,800
Columbia Gas & Electric Corporation, preferred.....	300	102	30,600
Colorado & Southern, first preferred.....	100	68	6,800
Columbia Graphophone Co.....	3,700	19	70,300
Columbia Carbon Co.....	200	115	23,000
Commercial Credit Co.....	450	23	10,350
Commercial Investment Trust.....	2,500	34	85,000
Commercial Solvents Corporation.....	5,600	22	123,200
Commonwealth & Southern.....	28,900	12	346,800
Conde Nast Publications.....	300	42	12,600
Congoleum-Nairn.....	2,300	12	27,600
Consolidated Cigar Corporation.....	100	47	4,700
Consolidated Film Industries.....	400	11	4,400
Consolidated Film Industries, preferred.....	200	18	3,600
Consolidated Gas Co.....	13,200	85	1,122,000
Consolidated Gas Co., preferred.....	600	96	57,600
Consolidated Textile Corporation.....	1,200	1	1,200
Container Corporation of America.....	100	10	1,000
Continental Baking Corporation, A.....	620	35	21,700
Continental Baking Corporation, B.....	900	5	4,500
Continental Can.....	4,800	47	225,600
Continental Insurance Co.....	600	48	28,800
Continental Motors.....	10,400	8	83,200
Continental Oil Del.....	9,200	22	202,400
Corn Products Refining Co.....	3,200	80	256,000
Corn Products Refining Co., preferred.....	100	138	13,800
Coty (Inc.).....	1,000	24	24,000
Crex Carpet Co.....	200	10	2,000
Crosley Radio Corporation.....	100	20	2,000
Crown Cork & Seal.....	100	40	4,000
Crown Zellerbach.....	300	18	5,400
Crucible Steel.....	1,300	80	104,000
Cuban American Sugar Co.....	200	8	1,600
Cuban Cane Sugar Co.....	1,600	1	1,600
Cuban Cane Sugar Co., preferred.....	200	2	400
Cuba Co.....	600	7	4,200
Curtis Publishing Co.....	100	110	11,000
Curtiss Wright.....	23,900	9	215,100
Davison Chemical Co.....	1,685	26	43,810
Delaware & Hudson Co.....	3,000	150	450,000
Dome Mines.....	1,000	7	7,000

Shorts November 12, 1929—Continued

Security	Shares	Price	Value
Drug (Inc.)	3,000	\$75	\$225,000
Dunhill International	300	35	10,500
Du Pont de Nemours & Co.	7,500	90	675,000
Duquesne Light Co.	200	98	19,600
Eastern Rolling Mills	400	23	9,200
Eastman Kodak Co.	1,400	158	221,200
Eaton Axle & Spring Co.	900	27	24,300
Eitington Schild Co.	100	13	1,300
Electric Auto-Lite Co.	3,900	67	261,300
Electric Boat	200	4	800
Electric Power & Light Corporation	1,100	34	37,400
Electric Power & Light, preferred	300	103	30,200
Electric Storage Battery	300	78	23,400
Endicott-Johnson	700	51	35,700
Engineers Public Service Co.	1,700	37	62,900
Engineers Public Service 5 per cent preferred	100	86	8,600
Equitable Office Building Corporation	300	37	11,100
Erie R. R.	5,500	45	247,500
Erie first preferred	1,800	57	102,600
Eureka Vacuum Cleaner Co.	200	38	7,600
Evans Auto Loading Co.	1,100	18	19,800
Fairbanks, Morse & Co.	100	35	3,500
Fairbanks, Morse, preferred	100	103	10,300
Federal Light & Traction	100	60	6,000
Federal Mining & Smelting, preferred	100	98	9,800
Federal Motor Truck Co.	2,000	7	14,000
Federal Water Service, A.	300	30	9,000
Fidelity Phenix Fire Insurance Co.	1,100	61	67,100
Filene's Sons Co.	200	39	7,800
First National Stores	7,850	52	408,200
Fisk Tire & Rubber	500	4	2,000
Follansbee Brothers Co.	200	35	7,000
Foundation Co.	100	15	1,500
Fox Film Corporation	1,400	61	85,400
Freeport, Tex.	1,700	26	44,200
Gabriel Snubber Manufacturing Co.	1,400	6	8,400
Gardner Motor Co.	700	4	2,800
General American Tank Car Corporation	1,100	85	93,500
General Baking, preferred	100	120	12,000
General Cable Corporation	2,800	29	81,200
General Electric	23,600	184	4,342,400
General Electric, special	2,200	11	24,200
General Foods	3,300	43	141,900
General Gas & Electric	3,300	95	283,500
General Gas & Electric, A.	1,800	69	124,200
General Cigar	100	50	5,000
General Mills (Inc.)	1,400	55	77,000
General Mills, preferred	100	88	8,800
General Motors	145,200	39	5,662,800
General Motors, 7 per cent preferred	100	117	11,700
General Outdoor Advertising, certificates	600	18	10,800
General Public Service	1,700	25	42,500
General Railway Signal	1,400	74	103,600
General Refractory	1,700	57	96,900
Gillette Safety Razor	2,300	85	195,500
Gimbel Bros.	800	12	7,200
Gimbel Bros., preferred	100	75	7,500
Glidden Co.	400	29	11,600
Gobel (Adolph) (Inc.)	3,100	10	31,000
Gold Dust	2,400	35	84,000
Goodrich Co.	1,800	43	68,800
Goodyear Tire & Rubber Co.	1,800	65	117,000
Goodyear Tire & Rubber Co., preferred	100	93	9,300
Gotham Hosiery	1,200	17	20,400
Graham-Paige Motors	900	9	8,100
Granby Consolidated Mining	500	52	26,000
Grand (F. & W.) Stores	500	42	21,000
Grand Union Co.	900	11	9,900
Granite City Steel	500	37	18,500
Grant (W. T.) Co.	800	45	36,000
Great Northern Iron Ore	3,200	22	70,400
Great Northern Iron Ore, preferred	2,200	90	198,000
Great Western Sugar	600	31	18,600
Greene Cananea Copper Co.	100	117	11,700
Grigsby-Grunow	17,700	17	300,900
Guantanamo Sugar Co.	900	2	1,800
Gulf States Steel Co.	200	49	9,800
Hahn Department Stores	850	13	11,050
Hahn Department Stores, preferred	200	78	15,600
Hartman Corporation, B.	1,400	15	21,000
Hayes Body	200	8	1,600
Helme Co. (G. W.)	200	86	17,200
Hershey Chocolate Corporation	1,700	60	102,000

Shorts November 12, 1929—Continued

Security	Shares	Price	Value
Hershey Chocolate Corporation, preferred	1,400	\$71	\$99,400
Hoe (R.) & Co., A	100	16	1,600
Holland Furnace Co.	700	22	15,400
Houdaille-Hershey, B	1,600	17	27,200
Household Products (Inc.)	200	52	10,400
Houston Oil Co.	600	34	20,400
Howe Sound Co.	400	35	14,000
Hudson & Manhattan R. R.	300	43	12,900
Hudson Motor Car Corporation	10,565	43	454,285
Hupp Motor Car Corporation	13,763	20	275,260
Illinois Central R. R.	100	120	12,000
Independent Oil & Gas Co.	800	22	17,600
Indian Motorcycle Co.	400	6	2,400
Indian Refining Co.	2,800	17	47,600
Industrial Rayon Corporation	700	75	52,500
Ingersoll-Rand Co.	400	134	53,600
Inland Steel Co.	400	75	30,000
Inspiration Copper	1,000	26	26,000
Interboro Rapid Transit, preferred	100	17	1,700
Intercontinental Rubber Co.	200	5	1,000
International Agriculture Corporation	200	4	800
International Agriculture preferred	200	49	9,800
International Business Machine	500	112	56,000
International Cement Corporation	500	52	26,000
International Combustion Engineering	67,100	9	603,900
International Combustion Engineering, preferred	1,000	32	32,000
International Harvester	2,800	69	193,200
International Harvester, preferred	100	138	13,800
International Hydro Electric	2,300	29	66,700
International Match, preferred	400	55	22,000
International Mercantile Marine Co.	700	20	14,000
International Mercantile Marine certificates	1,200	20	24,000
International Nickel Co.	42,900	29	1,244,100
International Paper	400	50	20,000
International Paper & Power, A	700	26	18,200
International Paper & Power, B	800	18	14,400
International Paper & Power, C	1,800	11	19,800
International Paper & Power, preferred	500	80	40,000
International Railways Central America	600	30	18,000
International Shoe	400	58	23,200
International Telephone & Telegraph	13,900	60	834,000
Interstate Department Stores	3,400	29	98,600
Investors Equity	2,700	21	56,700
Island Creek Coal Co.	500	40	20,000
Jewel Tea Co.	400	41	16,400
Johns-Manville Corporation	1,800	93	167,400
Jordan Motor Car Co.	400	2	800
Kansas City Southern Railway	600	69	41,400
Kaysers & Co. (Julius)	500	32	16,000
Kelly-Springfield Tire Co.	1,600	4	6,400
Kelsey-Hayes Wheel Corporation	400	21	8,400
Kelvinator Corporation	4,100	6	24,600
Kennecott Copper Corporation	12,300	56	688,800
Kimberly-Clark	100	49	4,900
Kolster Radio Corporation	4,700	7	32,900
Kraft-Phenix Cheese Corporation	1,700	28	47,600
Kresge (S. S.) Co.	14,500	30	435,000
Kresge Department Stores	100	11	1,100
Kress & Co. (S. H.)	300	57	17,100
Kreuger & Toll Co.	3,700	24	88,800
Kroger Grocery & Baking Co.	2,100	44	92,400
Lago Oil & Transport Corporation	200	16	3,200
Lambert Co.	1,700	92	156,400
Lehigh Valley R. R.	700	68	47,600
Lehigh Portland Cement Co.	200	33	6,600
Lehigh Valley Coal	1,700	15	25,500
Libby Owens	100	20	2,000
Liggett & Myers Tobacco	800	84	67,200
Liggett & Myers Tobacco, B	2,200	88	193,600
Lima Locomotive Works	300	28	8,400
Liquid Carbonic Corporation	300	43	12,900
Loew's (Inc.)	600	40	24,000
Loft (Inc.)	800	5	4,000
Loose-Wiles Biscuit Co.	100	43	4,300
Lorillard Co.	1,300	15	19,500
Louisiana Oil Refining Corporation	600	8	4,800
Louisville Gas & Electric, A	300	32	9,600
Louisville & Nashville	100	120	12,000
Ludlum Steel	100	30	3,000
McCall Corporation	790	73	57,670
McCrary Stores, B	1,100	85	93,500
McCrary Stores	300	85	25,500
McGraw-Hill Publishing	100	33	3,300

Shorts November 12, 1929—Continued

Security	Shares	Price	Value
McKeesport Tin Plate.....	700	\$55	\$38,500
McKesson & Robbins (Inc.).....	300	33	9,900
McKesson & Robbins, preferred.....	100	45	4,500
McLellan Stores.....	200	25	5,000
Mack Truck.....	200	64	12,800
Macy (R. H.) & Co.....	1,600	120	192,000
Madison Square Garden.....	500	12	6,000
Mandel Bros.....	400	20	8,000
Maracaibo Oil Exploration Co.....	200	8	1,600
Marlin-Rockwell Corporation.....	1,100	30	33,000
Marmon Motor Car Co.....	200	23	4,600
Martin-Parry Corporation.....	200	3	600
Mathieson Alkali Works.....	600	34	20,400
May Department Stores.....	1,200	54	64,800
Maytag Co.....	400	12	4,800
Maytag Co., preferred.....	200	30	6,000
Mexican Seaboard Oil.....	2,600	13	33,800
Miami Copper Co.....	800	27	21,600
Michigan Steel.....	200	30	6,000
Mid-Continent Petroleum.....	700	25	17,500
Middle States Oil.....	2,100	1	2,100
Minneapolis Moline.....	600	14	8,400
Minneapolis & St. Louis R. R.....	300	1	300
Missouri, Kansas & Texas.....	5,400	30	162,000
Missouri, Kansas & Texas, preferred.....	100	99	9,900
Missouri Pacific R. R.....	1,200	54	64,800
Missouri Pacific R. R., preferred.....	1,200	115	138,000
Mohawk Carpet Mills.....	300	40	12,000
Monsanto Chemical.....	200	55	11,000
Montgomery Ward.....	15,600	50	780,000
Moon Motor Car Co.....	300	2	600
Morrel & Co.....	500	56	28,000
Motherlode.....	10,300	1	10,300
Motor Wheel Corporation.....	400	26	10,400
Motor Meter Co.....	2,200	6	13,200
Munsingwear (Inc.).....	100	40	4,000
Murray Corporation.....	1,100	18	19,800
Myers & Bros. (F. B.).....	100	37	3,700
Nash Motors Co.....	6,600	47	310,200
National Acme Co.....	500	16	8,000
National Air Transport.....	600	16	9,600
National Bellas Hess.....	500	14	7,000
National Biscuit.....	1,600	149	238,400
National Biscuit, preferred.....	200	141	28,200
National Cash Register.....	3,800	61	231,800
National Dairy Products.....	14,800	45	666,000
National Department Stores.....	800	26	20,800
National Department Stores first preferred.....	300	91	27,300
National Distillers Products.....	800	37	29,600
National Lead.....	400	130	52,000
National Power & Light.....	4,400	25	110,000
National Radiator Corporation.....	300	5	1,500
National Railways of Mexico second preferred.....	1,100	1	1,100
National Tea Co.....	200	35	7,000
Nevada Consolidated Copper.....	3,400	26	88,400
Newton Steel.....	200	40	8,000
New York Air Brake.....	600	38	22,800
New York Central R. R.....	9,300	163	1,515,900
New York, Chicago & St. Louis.....	700	124	86,800
New York Dock, preferred.....	100	82	8,200
New York, New Haven & Hartford.....	3,000	98	294,000
New York, New Haven & Hartford, preferred.....	800	119	95,200
New York, Ontario & Western.....	400	11	4,400
North American Co.....	4,400	79	347,600
North American, 6 per cent preferred.....	100	50	5,000
North American Edison, preferred.....	100	98	9,800
North German Lloyd.....	1,200	47	56,400
Northern Pacific.....	1,700	80	136,000
Northern Pacific, certificates of deposit.....	100	80	8,000
Nunnally Co.....	100	4	400
Oliver Farm Equipment.....	1,500	14	21,000
Oliver Farm Equipment, preferred.....	300	75	22,500
Omnibus Corporation.....	100	3	300
Otis Elevator.....	900	200	180,000
Otis Steel.....	100	30	3,000
Outlet Co.....	100	60	6,000
Owens Illinois Glass.....	400	45	18,000
Pacific Coast Co.....	100	15	1,500
Pacific Gas & Electric.....	1,800	49	88,200
Pacific Lighting Corporation.....	800	63	50,400
Pacific Telephone & Telegraph.....	100	145	14,500
Packard Motor Car Co.....	11,500	15	172,500
Pan-American Petroleum & Transportation Co.....	5,100	57	290,700

Sharts November 12, 1929—Continued

Security	Shares	Price	Value
Panhandle Products, preferred	200	\$4	\$800
Paramount Famous Players	2,600	45	117,000
Park & Tilford	200	28	5,600
Park Utah Consolidated Mines	1,200	3	3,600
Pathe Exchange	2,600	4	10,400
Patino Mines	1,500	27	40,500
Peerless Motors	2,600	6	15,600
Penick & Ford	1,100	25	2,500
Penney, J. C.	700	78	54,600
Pennsylvania R. R.	8,300	80	664,000
Peoples Gas	1,600	234	374,400
Pere Marquett R. R.	100	150	15,000
Pet Milk	100	21	2,100
Phelps & Dodge	300	37	11,100
Phoenix Hosiery	100	14	1,400
Philadelphia Co., preferred	100	50	5,000
Philadelphia & Reading Coal & Iron	700	11	7,700
Philip Morris & Co.	1,100	7	7,700
Phillips Petroleum	2,400	29	69,600
Pierce Arrow Motor Car	3,300	19	62,700
Pierce Arrow Motor Car, preferred	100	70	7,000
Pierce Oil	200	1	200
Pierce Oil, preferred	100	25	2,500
Pierce Petroleum	300	2	600
Pillsbury Flour Mills	100	34	3,400
Pirelli Co.	200	48	9,600
Pittsburgh Coal Co.	200	55	11,000
Pittsburgh Coal Co., preferred	300	91	27,300
Porto Rican-American Tobacco, A	200	55	11,000
Prairie Oil & Gas	900	46	41,400
Prairie Pipe Line	500	55	27,500
Pressed Steel Car	300	7	2,100
Proctor & Gamble	2,300	50	115,000
Producers & Refiners Corporation	100	6	600
Public Service of New Jersey	4,100	58	237,800
Public Service of New Jersey, preferred 6 per cent	100	100	10,000
Public Service of New Jersey, preferred 8 per cent	100	141	14,100
Pullman (Inc.)	1,100	78	85,800
Punta Alegre Sugar	1,300	9	11,700
Pure Oil Co.	2,600	20	52,000
Purity Bakeries	900	60	54,000
Radio Corporation	24,400	30	732,000
Radio Corporation, preferred A	100	51	5,100
Radio Corporation, preferred B	200	67	13,400
Radio-Keith-Orpheum	5,600	15	84,000
Railway & Express	200	26	5,200
Rand Mines	100	25	2,500
Raybestos	600	17	10,200
Reading Co.	2,300	115	264,500
Reading Co., second, preferred	100	46	4,600
Real Silk Hosiery Mills	200	45	9,000
Remington Rand	2,600	27	70,200
Remington Rand, first preferred	200	86	17,200
Reo Motors	4,100	11	45,100
Republic Brass	300	11	3,300
Republic Iron & Steel	800	70	56,000
Reynolds Springs	1,000	4	4,000
Reynolds Springs A	200	75	15,000
R. J. Reynolds Tobacco B	3,400	50	170,000
Richfield Oil	1,100	29	31,900
Rio Grande Oil	400	20	8,000
Ritter Dental	200	45	9,000
Rossia Insurance	900	33	29,700
Royal Baking Powder Co.	100	26	2,600
Royal Dutch	5,900	50	295,000
Safeway Stores	400	90	36,000
St. Joe Lead	1,100	42	46,200
St. Louis-San Francisco	800	107	85,600
St. Louis-San Francisco, 6 per cent preferred	300	89	26,700
St. Louis South West	2,500	60	150,000
Schulte Retail Stores	1,600	9	14,400
Seaboard Air Line	6,700	11	73,700
Seaboard Air Line, preferred	400	23	9,200
Seagrave Corporation	100	11	1,100
Sears, Roebuck	9,600	68	844,800
Second National Investors	750	15	11,250
Seneca Copper	700	3	2,100
Serrel (Inc.)	1,400	8	11,200
Sharon Steel	200	27	5,400
Sharpe & Dohm	300	20	6,000
Sharpe & Dohm, preferred	300	50	15,000
Shattuck	800	34	27,200

Shorts November 12, 1929—Continued

Security	Shares	Price	Value
Shell Union Oil.....	6,900	\$21	\$144,900
Shubert Theatre.....	100	17	1,700
Simmons Co.....	3,100	61	189,100
Sinclair Consolidated Oil.....	10,800	25	270,000
Standard Oil New Jersey.....	100	54	5,400
Skelly Oil.....	200	30	6,000
Snider Packing Corporation.....	400	15	6,000
Southern California-Edison.....	2,300	52	119,600
Southern Pacific.....	700	112	78,400
South Porto Rico Sugar.....	900	25	22,500
Southern Ry.....	2,200	123	270,600
Spang Chalfont.....	200	20	4,000
Sparks Withington.....	5,400	15	81,000
Spicer Manufacturing Co.....	300	21	6,300
Spicer Manufacturing Co., preferred.....	100	40	4,000
Spiegel May Stern.....	800	45	36,000
Standard Brands.....	19,200	25	480,000
Standard Brands, preferred.....	300	115	34,500
Standard Commercial Tobacco.....	100	9	900
Standard Gas & Electric.....	5,100	80	408,000
Standard Gas & Electric, preferred.....	1,800	70	126,000
Standard Oil California.....	5,200	60	312,000
Standard Oil New Jersey.....	14,300	54	772,200
Standard Oil New York.....	5,600	32	179,200
Starrett, L. S.....	100	35	3,500
Sterling Securities.....	1,000	11	11,000
Sterling Securities, preferred.....	1,300	13	16,900
Stewart Warner.....	700	38	26,600
Stone & Webster.....	200	73	14,600
Studebaker Corporation.....	2,600	42	109,200
Superior Steel.....	500	16	8,000
Superior Oil.....	1,400	6	8,400
Symington Co. A.....	300	3	900
Telautograph.....	100	16	1,600
Tennessee Copper & Chemical.....	1,400	11	15,400
Texas Corporation.....	6,300	51	321,300
Texas Gulf Sulphur.....	11,200	45	537,600
Texas Pacific.....	1,000	119	119,000
Texas Pacific Coal & Oil.....	1,100	9	9,900
Texas Pacific Land Trust.....	200	7	1,400
Thatcher Manufacturing.....	100	17	1,700
The Fair.....	200	29	5,800
Tidewater Oil.....	600	18	10,800
Tidewater Association.....	300	11	3,300
Tidewater Association, 6 per cent preferred.....	200	78	15,600
Timken Detroit Axle.....	300	15	4,500
Timken Roller Bearing.....	1,600	70	112,000
Tobacco Products.....	2,700	4	10,800
Tobacco Products A.....	10,100	6	60,600
Tobacco Products certificates of deposit.....	6,000	2	12,000
Transcontinental Oil.....	14,800	6	88,800
Truax Traer Coal.....	300	17	5,100
Truscon Steel.....	900	35	31,500
Twin City Rapid Transit.....	100	28	2,800
Underwood Elliott Fisher.....	1,100	125	137,500
Union Carbide & Carbon.....	7,800	65	507,000
Union Oil of California.....	1,900	45	85,500
Union Pacific.....	3,100	203	629,300
Union Pacific, preferred.....	300	80	24,000
Union Tank Car.....	500	134	67,000
United Aircraft.....	4,600	37	170,200
United Biscuit.....	1,500	35	52,500
United Bag & Paper.....	100	10	1,000
United Cigar Stores.....	8,200	6	49,200
United Cigar Stores certificates.....	8,100	3	24,300
United Cigar Stores, preferred.....	400	40	16,000
United Corporation.....	9,800	23	225,400
United Corporation, preferred.....	200	44	8,800
United Dry Goods.....	200	6	1,200
United Electric Coal.....	300	14	4,200
United States and foreign securities.....	300	21	6,300
United Fruit.....	600	100	60,000
United Gas Improvement.....	9,700	25	242,500
United Gas Improvement, preferred.....	500	95	47,500
United Piece & Dye.....	100	21	2,100
United Piece & Dye preferred.....	100	96	9,600
United States Freight.....	17,600	89	1,566,400
United States Hoffman Machinery.....	200	22	4,400
United States Leather Co.....	400	9	3,600
United States Leather A.....	200	16	3,200
United States Alcohol.....	2,300	103	248,400

Shorts November 12, 1929—Continued

Security	Shares	Price	Value
United States Pipe & Radiator	2,700	\$15	\$40,500
United States Pipe & Radiator, preferred	200	15	3,000
Universal P. & R.	3,200	4	12,800
United States Realty	1,000	55	55,000
United States Rubber Co.	8,700	25	217,500
United States Rubber Co., preferred	2,200	47	103,400
United States Smelters, Refining	500	35	17,500
United States Smelters, Refining, preferred	700	48	33,600
United States Steel	96,200	153	13,188,600
United States Steel, preferred	800	139	111,200
United Stores	1,700	7	11,900
Utility Light & Power A	2,700	28	75,600
Vadeco	1,600	4	6,400
Vanadium Steel	1,100	47	51,700
Vicks Chemical	1,500	36	54,000
Virginia-Carolina Chemical	600	5	3,000
Wabash Ry.	200	86	17,200
Wabash Ry., preferred	200	84	16,800
Waldorf System	1,300	22	28,600
Walworth Co.	400	24	9,600
Ward Baking B.	100	5	500
Warner Quinlan	300	18	16,200
Warner Bros. Pictures	9,100	35	318,500
Warren Foundry	900	18	16,200
Webster Eisenlohr	500	6	3,000
Wesson Oil	300	25	7,500
Wesson Oil, preferred	200	53	10,600
West Penn Electric Co.	200	90	18,000
Western Dairy Products A	100	39	3,900
Western Dairy Products B	200	13	2,600
Western Maryland	6,000	15	90,000
Western Pacific	500	18	9,000
Western Pacific, preferred	200	44	8,800
Western Union	700	162	113,400
Westinghouse Air Brake	1,600	40	64,000
Westinghouse Electric	8,900	110	979,000
Weston Electric Instrument	600	28	16,800
Wheeling & Lake Erie	100	100	10,000
Wheeling & Lake Erie, preferred	100	100	10,000
White Eagle Oil	500	26	13,000
White Motors	600	28	16,800
White Sewing Machine	600	9	5,400
White Sewing Machine, preferred	100	35	3,500
Wilcox Oil & Gas	100	13	1,300
Wilcox Richmond A	100	36	3,600
Wilcox Richmond B	800	16	12,800
Willys Overland	6,000	9	54,000
Woolworth	5,400	58	313,200
Worthington Pump	3,500	51	178,500
Worthington Pump B	100	75	7,500
Wrigley, Jr., & Co.	500	68	34,000
Yellow Truck	2,000	9	18,000
Youngstown Sheet & Tube	100	107	10,700
Young Spring & Wire	500	36	18,000
Zenith	1,100	15	16,500
Total	1,691,883		89,611,115

EXHIBIT No. 24, APRIL 21, 1932

(See page 282, this hearing)

CONSTITUTION OF THE NEW YORK STOCK EXCHANGE AS OF OCTOBER 28, 1931

[Rules adopted by the governing committee pursuant to the constitution, with amendments to October 28, 1931]

ARTICLE I.—Title—Objects

The title of this association shall be the "New York Stock Exchange."

Its objects shall be to furnish exchange room and other facilities for the convenient transaction of their business by its members, to maintain high standards of commercial honor and integrity among its members, and to promote and inculcate just and equitable principles of trade and business.

ARTICLE II.—*Government*

The government of the exchange shall be vested in a government committee, composed of the president and the treasurer of the exchange, and of 40 members, elected in the manner hereinafter provided.

The members of the governing committee, the assistant to the president, the secretary, the first assistant secretary, the accountant, and the economist shall be the officers of the exchange.

ARTICLE III.—*Governing committee*

SECTION 1. The elected members of the governing committee shall be divided into four classes, each consisting of 10 members, one of which classes shall be elected each year, to serve four years.

SEC. 2. The governing committee shall be vested with all powers necessary for the government of the exchange, the regulation of the business conduct of its members, and the promotion of its welfare, objects, and purposes.

In the exercise of its powers it may adopt such rules, issue such orders and directions, and make such decisions as it may deem appropriate.

SEC. 3. The governing committee shall determine the manner and form by which its proceedings shall be conducted; it shall appoint and may dissolve all standing and other committees except the nominating committee, define, alter, and regulate their jurisdiction as stated in this instrument and have original and supervisory jurisdiction over any and all subjects and matters referred to said committees, and may direct and control their actions or proceedings at any stage thereof.

It may try charges against members of the exchange and punish such as may be found guilty.

It shall have control of the property and finances of the exchange and fix the fees and compensation to be paid to members of committees, to officers of the exchange, and to the trustees of the gratuity fund.

It may appoint, dismiss, and determine the number, duty, and pay of employees, and may delegate such powers to standing or special committees or officers.

It may require that officers, appointees, or employees of the exchange give good and sufficient bonds for the faithful performance of their duties.

SEC. 4. The governing committee may prescribe penalties for violation of rules adopted pursuant to the constitution and for neglect or refusal to comply with orders, directions, or decisions of the governing committee or of any standing or special committee, and for other offenses against the exchange where penalties are not specifically prescribed by the constitution.

SEC. 5. The governing committee shall prescribe rules for dealing on the exchange. It shall prescribe rules as to contracts, the performance thereof, default, and insolvency, which shall be applicable to exchange contracts, and may extend or postpone the time for the performance of exchange contracts, whenever in its opinion such action is called for by the public interest or by just and equitable principles of trade.

It may adopt such rules as may be deemed necessary and proper in respect to members' contracts.

SEC. 6.¹ The governing committee may admit to dealing upon the exchange, securities, and also securities on a "when issued" basis, and may suspend dealing therein, or may remove the same from the list.

SEC. 7. Whenever, in the opinion of the governing committee, a corner has been created in a security listed on the exchange, or a single interest or group has acquired such control of a security so listed that the same can not be obtained for delivery on existing contracts except at prices and on terms arbitrarily dictated by such interest or group, the governing committee may postpone the time for deliveries on exchange contracts therein, and may from time to time further postpone such time or may postpone deliveries until further action by the governing committee, and may at any time by resolution declare that if such security is not delivered on any contract calling for delivery thereof at or before the time to which delivery has been postponed or which has been fixed by the governing committee for such delivery, such contract shall be settled by the payment to the party entitled to receive such security or by the credit to such party of a fair settlement price, determined as hereinafter

¹ As amended June 28, 1928.

provided. If the parties to any contract which is to be settled on the basis of such fair settlement price do not agree with respect thereto, such fair settlement price and the date for the payment of the same may be fixed by the governing committee. The governing committee before fixing the same shall give the parties to the contract which is to be settled on the basis thereof an opportunity to be heard either before the governing committee or before a special committee appointed for the purpose. Any such special committee shall report the testimony together with its conclusions thereon to the governing committee, which may act upon such report without further hearing or, in its discretion, may accord the parties a further hearing before acting thereon.

SEC. 8. The governing committee, except as in this constitution otherwise specifically provided, may consider and take action upon any matter at any regular meeting or at any special meeting, even though the matter in question is not specifically set forth in the notice for such meeting.

It may, by special resolution or standing rule, invite a person, not a member thereof, to attend its meeting and to participate in its deliberations and to serve on special and standing committees, to such extent as it may prescribe in such resolution or rule, but without the right to vote at the governing committee's own meetings. Such invitation may at any time be recalled by the governing committee or modified.

SEC. 9. A member of the governing committee who shall be absent from three consecutive regular meetings without having been excused by the president may be declared by a two-thirds vote of the existing members of the governing committee to be no longer a member thereof.

SEC. 10. All vacancies occurring in the governing committee shall be filled by said committee by election, the members so elected to serve until the next annual election. Before the governing committee fills a vacancy, a special committee of its members, appointed for the purpose, shall confer with the nominating committee and report to the governing committee.

SEC. 11. No member of the governing committee shall be disqualified from participating in any meeting, action, or proceeding of any kind whatever of said committee, by reason of being or having been a member of a standing committee or special committee which has made prior inquiry, examination, or investigation of the subject under consideration. Nor shall any member of any standing or special committee be disqualified, by reason of such membership, from acting as a member of the governing committee upon any appeal from a decision of such standing or special committee. But no member shall participate in the adjudication of any matter in which he is personally interested.

SEC. 12.² Fifteen members of the governing committee shall be necessary to constitute a quorum for the following purposes: (1) To admit to dealing upon the exchange securities or securities on a "when issued" basis; (2) to suspend dealing in or to remove from the list any securities or securities on a "when issued" basis admitted to dealing upon the exchange; and (3) to extend or to postpone the time for the performance of exchange contracts, whenever in the opinion of the governing committee such action is called for by the public interest or by just and equitable principles of trade. For all other purposes a majority of all the existing members of the governing committee shall be necessary to constitute a quorum.

SEC. 13. Any hearing or trial may be adjourned from time to time, by the governing committee in its discretion; but no member thereof, who shall not have been present at every meeting of said committee at which evidence is taken, or at which an accused member, or a member whose conduct is involved in the hearing, is heard, shall participate in the final decision.

SEC. 14. In the absence of both the president and vice president, any 10 members of the governing committee may call a meeting thereof.

SEC. 15. The governing committee shall at its first regular meeting in June of each year designate counsel for the exchange, to be employed at the pleasure of said committee.

ARTICLE IV.—*President*

SEC. 1. The president shall be the principal executive officer of the exchange and shall have the care of all its interests. He may preside at the meetings of the exchange whenever he shall so elect, and shall be the presiding officer of the governing committee.

² As amended Sept. 19, 1929.

SEC. 2. The president may call special meetings of the exchange and of the governing committee. He shall call special meetings of the exchange upon the written request of 100 members, and special meetings of the governing committee upon the written request of 10 members of said committee.

SEC. 3. Should special exigencies require, the president may appoint committees *ad interim*, to act until the regular appointments are made.

ARTICLE V.—*Vice President*

SECTION 1. The governing committee, at its first meeting after the annual election of the exchange, shall choose from its members a vice president of the exchange.

SEC. 2. The vice president shall, in the absence of the president, assume all the functions and powers, and discharge all the duties of the president.

SEC. 3. In case of the temporary absence, or inability to act, of both the president and vice president, the chairman of the law committee, the vice chairman thereof, or the senior available member thereof in said order, shall act in place of the president of the exchange.

ARTICLE VI.—*Treasurer; assistant treasurer; assistant to the president; accountant; economist*

SECTION 1. It shall be the duty of the treasurer to receive, and, acting under instructions from the finance committee, to take charge of and disburse, moneys of the exchange. He shall report fully to the finance committee in regard thereto at its stated meetings. He shall present to the governing committee at its first regular meeting in January of each year a report of the finances of the exchange for the 12 months ending December 31, preceding. He shall also present to the governing committee at its first regular meeting in January, April, July, and October a report of finances of the exchange for the three months preceding. He shall be a member of the finance committee, and a trustee of the gratuity fund; he shall pay over, semimonthly, to the treasurer of the gratuity fund, all amounts collected under Article XXII of the constitution.

SEC. 2. The governing committee, at its first meeting after the annual election of the exchange, shall choose one of its members to act as assistant treasurer, who shall, in the absence of the treasurer, assume all the functions and powers and discharge all the duties of the treasurer.

SEC. 3.³ The finance committee, at any meeting, may appoint one of its members to act, during the pleasure of the finance committee, as assistant treasurer pro tempore, who shall, in the absence of the treasurer and assistant treasurer, assume all the functions and powers and discharge all the duties of the treasurer.

SEC. 4. The governing committee may, on the nomination of the president, appoint an assistant to the president. He shall perform such duties as the president may prescribe.

SEC. 5. The accountant and the economist shall be appointed by the governing committee. They shall perform such duties as the governing committee may prescribe.

ARTICLE VII.—*Secretary and assistant secretaries*

SECTION 1.⁴ The secretary shall be appointed by the governing committee. It shall be his duty to record in a book of minutes the proceedings of the exchange and take charge of its books and papers. He shall be the secretary of the governing committee, and shall be the secretary of each standing and special committee, unless another secretary to such committee has been duly appointed. He shall conduct the correspondence of the exchange and of the standing and special committees, except that any such committee may conduct the correspondence relating to matters within its jurisdiction. He shall keep a record containing the names of all the members with dates of their admission and transfer of membership. He shall perform such other duties as the governing committee may prescribe.

SEC. 2. The governing committee may appoint an assistant secretary, to be known as the first assistant secretary, who shall assist the secretary in the

³ As amended Sept. 29, 1927.

⁴ As amended July 26, 1928

performance of his duties, and in the absence of the secretary shall discharge all the duties of the secretary. He shall perform such other duties as the governing committee may prescribe.

SEC. 3. The governing committee may also appoint additional assistant secretaries who shall perform such duties as the governing committee may prescribe.

SEC. 4. In case of the temporary absence, or inability to act, of both the secretary and the first assistant secretary, the governing committee may appoint an acting secretary of the exchange.

ARTICLE VIII.—*Elections*

SECTION 1.⁵ The annual election of the exchange shall be held on the second Monday of May, unless postponed to a later date pursuant to the provisions of section 3 hereof. At such annual election there shall be elected by ballot a president and a treasurer, each for the term of one year, a trustee of the gratuity fund for the term of five years, and 10 members of the governing committee for the term of four years; also members to fill any vacancies which may have occurred during the preceding year either among the trustees of the gratuity fund or in the governing committee.

SEC. 2.⁵ On the second Monday in January there shall be elected by ballot a nominating committee to consist of five members (not officers of the exchange) who shall serve for a period of one year. Any vacancy during said term shall be filled by the remaining members. The nominating committee shall hold at least three meetings in the month of March, due notice of which shall be posted on the bulletin board, and sent to each member of the exchange, inviting members of the exchange to attend said meetings for the purpose of suggesting nominees for the offices and positions which are to be filled at the annual election of the exchange. Said committee shall report to the exchange on the second Monday in April nominees for such offices and positions.

The nominating committee shall also hold at least three meetings in the month of November, due notice of which shall be posted on the bulletin board, and sent to each member of the exchange, inviting members of the exchange to attend said meetings for the purpose of suggesting nominees for the nominating committee for the ensuing year. Said committee shall report to the secretary of the exchange at or before 2 o'clock p. m. on the third Monday in December nominations for a nominating committee to be balloted for at the election on the second Monday in January.

SEC. 3.⁵ Members may propose nominees by petition for the positions to be filled at the elections prescribed by this article. Such a nominee must be indorsed by not less than 40 members of the exchange and no member shall indorse more than one nominee; *Provided, however,* That 100 members may, by petition, propose an entire ticket or any portion thereof. The petitions shall be filed with the secretary of the exchange in sealed envelopes within two weeks after the date fixed for the report of the nominating committee. The nominating committee and the secretary of the exchange shall open said envelopes and the names of all nominees for each office or position shall be arranged alphabetically and shall be reported to the exchange on the following day.

In case of the death, withdrawal, or disqualification at any time before an annual election on the second Monday of May of a member proposed and reported to the exchange by the nominating committee as a nominee for one of the offices or positions to be filled at such annual election, the nominating committee shall within one week after the death, withdrawal, or disqualification of such member propose and report to the exchange another nominee for such office or position, and the members may likewise propose by petition, in the manner prescribed herein, a nominee or nominees for such office or position by filing a petition with the secretary of the exchange within one week after the nominating committee shall have so reported such other nominee, and the annual election of the exchange shall be held two weeks after the date on which the nominating committee shall report such other nominee to the exchange or on the second Monday of May, whichever of said two dates shall be the later.

The nominees receiving at an election the highest number of votes for the positions to be filled shall be declared elected to those positions. In case of a

⁵ As amended Dec. 19, 1929.

tie, the names of the members involved shall be referred to the governing committee who shall make selection by a majority vote of its entire membership.

SEC. 4. The nominating committee, in case of any vacancy in the governing committee, shall confer with the special committee of the governing committee appointed for the purpose of such conferences, and give such special committee the benefit of its views in respect to the filling of the vacancy.

SEC. 5.⁵ If the exchange is not open for business on the second Monday in May, or on such later date to which the annual election may be postponed pursuant to the provisions of section 3 hereof, or on the second Monday in January, the annual election of the exchange or the election of the nominating committee, as the case may be, shall be held on the next succeeding business day.

SEC. 6. Each member of the exchange, in good standing, present in person, shall be entitled to vote at any election or meeting of the exchange.

SEC. 7. When the exchange shall be assembled for the transaction of business other than dealing in securities, a majority of all the members shall constitute a quorum.

ARTICLE IX.—*Eligibility to office; removal and vacancy*

SECTION 1. No person shall be eligible to the office of president, treasurer, trustee of the gratuity fund, or member of the governing committee, who shall not be, at the time of his election, a member in good standing.

SEC. 2. The expulsion, suspension, insolvency or transfer of membership of a member holding an office or position, which can be held only by a member of the exchange, shall create a vacancy therein.

SEC. 3. In the event of the refusal, failure, neglect or inability of an officer elected by the membership of the exchange or a trustee of the gratuity fund, to discharge the duties of his office, or for any good cause, of the sufficiency of which the governing committee shall be the sole judge, said committee shall have power, by a two-thirds vote of all its existing members, to remove such officer and declare the position held by him to be vacant.

SEC. 4. In case a vacancy shall occur in the office of president or treasurer, the same shall be filled by the governing committee for the unexpired term.

SEC. 5. Every officer elected or appointed by the governing committee, and every other appointee, clerk or employee of the exchange shall hold his office, place or position only during the pleasure of the authority by which he was appointed; and he may be, at any time, removed, dismissed or discharged by such authority or by the governing committee.

ARTICLE X.—*Standing committees*

SECTION 1. Promptly after the annual election of the exchange, the governing committee shall appoint from its members the following standing committees:

First. A committee on admissions, to consist of 15 members. All applications for membership, and all applications of members suspended on account of insolvency for reinstatement to their privileges shall be referred to this committee; and said committee shall exercise the powers given it by Articles XII, XIII, XIV, and XVI hereof.

The affirmative vote of two-thirds of the entire committee shall be necessary to elect to membership, or to reinstate a member suspended for insolvency.

No application for readmission of a person who has been expelled from the exchange or declared ineligible for reinstatement or for the reinstatement of a member who has been suspended under section 2 of Article XVI shall be considered by this committee, unless such person has obtained the consent to such consideration of two-thirds of the members of the governing committee present at a regular or special meeting.

It shall be the duty of this committee to investigate every case of insolvency, and ascertain the cause thereof as promptly as possible.

Second. An arbitration committee, to consist of nine members. All claims and matters of difference arising from members' contracts between members of the exchange or firms registered thereon shall, at the instance of either party, be submitted to the arbitration committee. Any claim or matter of difference

⁵ As amended Dec. 19, 1929.

between a member of the exchange or a firm registered thereon, and a non-member, arising in the course of the business of such member or firm shall, at the instance of the nonmember, be referred to said committee. The committee may decline to hear or may dismiss any case and refer the parties to their remedies at law, and it shall so refer them upon the joint request of the contestants. The decision of the committee shall be final, unless an appeal be taken by a member of the committee, or the case involves a sum of \$2,500 or over, and one of the parties appeals within 10 days to the governing committee; the appeal shall be submitted to the governing committee by the secretary of the exchange, upon a printed transcript of the record of the case, together with such printed arguments as the parties to the appeal may desire to make; and upon such appeal, the governing committee may finally adjudicate the case, relegate the parties to their remedies at law, or direct a rehearing by the arbitration committee or by a special committee. In case of a rehearing by the arbitration committee or special committee, there shall be the same right of appeal to the governing committee as in the first instance.

The arbitration committee, before considering any claim or matter of difference at the instance of a nonmember, may require the nonmember to comply with such terms and conditions as it may deem proper, obligating him to abide by the decision.

The arbitration committee, before hearing any claim or matter of difference, may require the party at whose instance the same is brought before it, to make such deposit or furnish such other security for the costs of the proceeding as it may deem proper, and may, in its decision, determine how such costs shall be borne.

The governing committee, before hearing any appeal from a decision of the arbitration committee taken by a party to the controversy, may require such party to make such deposit or furnish such other security for the costs of the appeal as it may deem proper, and may, in its decision, determine how such costs shall be borne.

Third.⁶ A committee of arrangements, to consist of nine members, which committee shall have the following powers and duties:

(a) To require observance of the provisions of the constitution and of the rules adopted by the governing committee pursuant thereto which are or may be specifically referred to the care of said committee of arrangements.

(b) To control and regulate all connection and communication with the exchange by means of telegraph, telephone, wireless, messengers, or other device; and to require the discontinuance of any such connection when, in the opinion of the committee, it is contrary to the interest or welfare of the exchange.

(c) To have general care and supervision of the floor and the premises of the exchange.

(d) To provide all supplies for the exchange.

(e)⁷ To make and enforce rules and regulations for the convenient transaction of business upon the floor of the exchange, and relating to methods of dealing thereon not specifically referred to other committees, and to secure good order and decorum and the safety and comfort of members thereon or within the premises of the exchange.

(f) To make and enforce rules and regulations with respect to the admission to the floor of the exchange and its appurtenances of partners and employees of members, and their exclusion therefrom, and with respect to the conduct of all nonmembers upon the floor or within the premises of the exchange.

(g) To see that the method of conducting business by members shall not involve unnecessary delay in the performance of their obligations nor obstruct or retard the business of other members or business upon the exchange.

(h) To exclude from the floor of the exchange or its premises any member who, in the opinion of the committee, is in an unfit condition to transact business or who for any reason is in such condition that his presence upon the floor or within said premises will, in the opinion of the committee, disturb the orderly conduct of business by others.

(i) To consider complaints involving matters specifically referred to the care of the committee and to impose the fines prescribed for the violation of rules relating thereto, and where penalties for the violation of such rules are not prescribed, to impose fines of not more than \$250 for each violation thereof; or, in its discretion, to report the offender to the governing committee.

⁶ As amended May 22, 1930.

⁷ Effective June 10, 1926.

(j) To adopt and enforce rules and carry out measures necessary or proper for the conduct of the annual election of the exchange and the election of the nominating committee.

Fourth.⁸ A committee on business conduct, to consist of six members.

It shall be the duty of this committee to consider matters relating to the business conduct and financial condition of members and their customers' accounts, and to observe the course of transactions on the exchange, with the view to seeing whether resort is being had to improper transactions.

It shall have power to investigate the dealings, transactions, and financial condition of members, and to examine their books and papers. It may confer with members regarding any matters within its jurisdiction and advise the president in respect to any such matters; and it shall report to the governing committee any matter which in its judgment requires the consideration of that committee.

Fifth. A committee on constitution, to consist of five members. All proposed additions, alterations, or amendments to the constitution shall be referred to this committee. It shall report thereon to the governing committee, at a regular meeting or at a special meeting called expressly for the purpose of receiving its report.

Sixth.⁹ A finance committee, to consist of seven members. It shall meet at least once in each month, examine the accounts and vouchers of the exchange, and report the result of its examinations to the governing committee. It may, in its discretion, employ auditors or accountants and may accept and adopt their report as its examination. It shall prepare and present to the governing committee at the first regular meeting in December of each year a statement or budget setting forth the estimated income and appropriations for expenses of the exchange for the succeeding 12 months, and not less than 15 days prior to the date upon which dues of members become payable make report and recommendation to the governing committee as to the amount thereof. It shall make report and recommendation to the governing committee as to the financial policy of the exchange.

It shall examine the condition of the gratuity fund, as provided in Article XXIII hereof.

Seventh. A law committee, to consist of five members, which shall deal with matters of law affecting the interests of the exchange.

It shall act in an advisory capacity to the president when requested by him, and shall, in association with the president, represent the exchange in all matters affecting its general interests, and is authorized and empowered, in its discretion, to examine into the dealings of any member of the exchange.

Eighth. A committee of five, to be known as the committee on odd lots and specialists. This committee shall have general supervision over dealings in lots of stocks of less than 100 shares and the methods of specialists. It may formulate and submit to the governing committee for its adoption rules and regulations with respect to said matters and shall require the observance thereof when adopted.

Ninth. A committee of five, to be known as the committee on publicity. It shall be the duty of this committee, under the direction of the president, to keep the public correctly informed concerning matters of public interest having to do with the exchange.

Tenth. A committee on quotations and commissions, to consist of nine members. It shall require observance of the provisions of the constitution and of the rules adopted pursuant thereto relating to commissions, to partnerships, to offices of members, whether main offices or other offices, and to foreign joint-account arbitrage, and shall report to the governing committee any violation thereof. It shall report to the governing committee any partnership or any condition existing in an office which may appear to be detrimental to the interest or welfare of the exchange.

It shall have charge of all matters relating to the collection, dissemination, and use of quotations; it shall have power to approve or disapprove any application for quotation service to a nonmember, or for telephonic or telegraphic wire or wireless connection between the office of a member or a member's firm and the office of any corporation, firm, or individual not a member of the exchange transacting a banking or brokerage business, and it shall have power at any time to disapprove the furnishing of any such quotation service or any

⁸ As amended Apr. 24, 1930.

⁹ As amended Sept. 5, 1929.

such wire or wireless connection, and to require the discontinuance thereof. It may inquire into wire or wireless connections of every kind whatsoever between the office of a member and any member or nonmember, and may require the discontinuance of any such connection.

Eleventh.⁹ A committee on securities, to consist of five members. Subject to the provisions of the constitution and rules adopted by the governing committee pursuant thereto, it shall have power to make rules relating to the delivery of securities on exchange contracts, including reclamations therefor, irregularities therein, and interest and dividends thereon; to due bills and contracts for future delivery; to deposits on exchange contracts; and to decide questions arising out of such subjects. It may also permit dealing in rights growing out of securities already listed on the exchange, and may make regulations concerning any rights in which dealing may be permitted.

Twelfth.¹¹ A committee on stock list, to consist of six members, which committee shall have the following powers:

(a) To make rules prescribing the requirements for listing and such other rules and regulations in relation to the listing of securities as may be deemed expedient or necessary.

(b)⁸ To receive and consider all applications for placing securities on the list of the exchange, and to make report and recommendation thereon to the governing committee. In its discretion to permit dealings on a "when issued" basis (1) in certificates of deposit or interim receipts for securities; (2) in securities of a corporation the securities of which are already listed on the exchange; or (3) in securities growing out of securities already listed; but in every such case a full report shall be made to the governing committee at its next meeting.

(c) To place upon the list without report and recommendation to the governing committee obligations of the Government of the United States, or of any State, county, or city thereof, and the external dollar bonds of a foreign government.

(d) On receipt of assurances satisfactory to the committee that application conforming to the requirements will be made for the listing of the definitive securities, to place upon the list certificates of deposit or interim receipts for securities, or temporary securities of a corporation, securities of which are listed on the exchange, and to direct that any such certificates of deposit, interim receipts, or temporary securities be removed from the list and further dealing therein prohibited; report of such actions shall be submitted to the governing committee at its next meeting thereafter.

(e) To direct that any security listed upon the exchange be removed from the list and further dealing therein prohibited upon maturity of such security, or when it shall appear that the outstanding amount thereof has become so reduced as to make inadvisable further dealing therein upon the exchange.

(f) To have charge of the arrangement and revision of the printed list of securities.

Sec. 2. There shall be a conference committee, to consist of the president, vice president and treasurer, and chairmen of the committees on admissions, arrangements, business conduct, law, odd lots and specialists, publicity, quotations and commissions, and stock list.

When a member of the conference committee is the chairman of two of said committees the committee may appoint a member of the governing committee to fill the vacancy caused thereby, and the committee may also, in its discretion, appoint on said committee a member of the governing committee other than those above specified.

The vice chairman or acting chairman of any of said committees, in the absence of the chairman thereof, may act as a member of this committee.

The president of the exchange shall be the chairman and the vice president the vice chairman of the committee.

This committee shall hear reports from the various committees and from others, shall advise with them concerning questions affecting the welfare of the exchange and shall recommend to the governing committee such action as in its opinion will prove beneficial to the exchange.

⁸ As amended Sept. 29, 1927.

⁹ As amended May 24, 1928.

¹¹ As amended Nov. 25, 1927. See also note 7, at end of constitution, p. —, effective May 8, 1931.

Whenever the conference committee desires to have a subject under consideration by it referred to a subcommittee, the chairman, in his discretion, may appoint thereon members of the exchange, not members of the conference committee.

SEC. 3. Except as herein otherwise prescribed, each standing committee and special committee shall determine the manner and form in which its proceedings shall be conducted, and shall make such regulations for its government as it shall deem proper, and may fill any vacancies occurring in its membership, and may act at a meeting, or without a meeting, and by a majority of its members or by such number less than a majority as said committee may by rule determine, subject always to the control and supervision of the governing committee.

SEC. 4. Members of each standing committee at the time of an annual election, who continue to be members of the governing committee or are reelected, shall constitute such committee until either a new committee is appointed by the governing committee or a committee ad interim is appointed by the president.

ARTICLE XI—*Appeals*

SECTION 1. An appeal to the governing committee, from the decision of a standing committee other than the committee on admissions or the arbitration committee, may be taken by a member of the exchange, interested therein, by filing with the exchange a written notice of appeal addressed to the president within 10 days after the decision has been rendered; a member of a standing committee, other than the committee on admissions, taking part in the hearing of a matter, may, within two days after a decision has been made thereon, appeal therefrom to the governing committee in writing addressed to the president. There shall be no appeal from a decision of the committee on admissions, except as provided in section 5, Article XVI, nor shall there be an appeal from a decision of the arbitration committee by a party to the proceeding, except as provided in the second subdivision of section 1, Article X.⁵

ARTICLE XII.—*Applications for membership—Eligibility—Initiation fee*

SECTION 1. An applicant for membership must be at least 21 years of age and a citizen of the United States.

SEC. 2. The membership of the exchange shall not be increased except by action of the governing committee, which shall prescribe the number by which the membership shall be increased and the terms of admission. Such action shall be submitted to the exchange on the same conditions as those prescribed for amendments to the constitution.

SEC. 3. Members admitted by transfer shall pay to the exchange an initiation fee of \$4,000.

SEC. 4. If the initiation fee of an applicant for admission to membership is not paid on the day of his election and notification by the secretary, such election shall be void.

SEC. 5. No person, elected to membership, shall be admitted to the privileges thereof until he shall have signed the constitution of the exchange. By such signature he pledges himself to abide by the same as the same has been or shall be from time to time amended, and by all rules and regulations adopted pursuant to the constitution.

SEC. 6. The exchange shall not be liable for any damages sustained by a member or his firm, growing out of the use or enjoyment by such member or firm of the facilities afforded by the exchange to members for the conduct of their business.

SEC. 7. The committee on admissions may, by a two-thirds vote of the entire committee, authorize a partner of the president of the exchange, although not a member of the exchange, to exercise the privilege of transacting business upon the floor of the exchange for the account of the firm of which the president is a member.

Such privilege may not be exercised by the partner of the president, on whom such privilege has been conferred, when the president is engaged in the transaction of business on the floor of the exchange.

⁵ As amended Dec. 19, 1929.

The committee on admissions may at any time withdraw such privilege.

By a like vote, and under like conditions, the committee on admissions may extend a similar privilege to a partner of each of the following-named persons, to wit: The vice president of the exchange, the chairman of the committee of arrangements, the chairman of the committee on business conduct, and the president of the New York Stock Exchange Building Co.¹²

ARTICLE XIII.—*Dues and fines—Penalty for nonpayment*

SECTION 1. The dues payable by a member of the exchange in each year, exclusive of fines and of contributions under Article XXII of the constitution, shall not exceed \$1,000 a year, payable in advance in quarterly installments on January 1, April 1, July 1, and October 1. The amount of each installment shall be determined by the governing committee at least 15 days before the date on which the same is payable.

The dues for each quarter may be divided by the governing committee into two parts, one of which shall constitute the member's contribution to the current expenses of the exchange for the quarter, as estimated by the governing committee, and the other of which shall constitute the member's contribution for the quarter toward the capital investment of the exchange, which shall include advances to its subsidiaries to cover capital expenditures.

SEC. 2. When a membership is transferred, the transferee shall pay to the transferor on the date of transfer the unexpired portion of the dues for the current quarter.

SEC. 3. A member who shall neglect to pay his dues, or a fine, or a contribution to the gratuity fund for 45 days after the same shall become payable shall be reported by the treasurer to the president and, after due notice, shall be suspended until payment is made.

Should payment be not made within one year after payment is due, the membership of the delinquent may be disposed of by the committee on admissions.

SEC. 4. Notwithstanding the death or expulsion of a member, his membership until transferred shall continue liable for dues to the exchange as from time to time fixed by the governing committee, and for contributions under the provisions of Article XXII.

ARTICLE XIV.—*Transfer of membership*

SECTION 1. A transfer of membership may be made upon submission of the name of the candidate to the committee on admissions and the approval of the transfer by two-thirds of the entire committee. Notice of the proposed transfer shall be posted on the bulletin in the exchange for at least 10 days prior to transfer.

SEC. 2. A member proposing to transfer his membership shall not, after the tenth day of the posting of notice of the proposed transfer, make any contracts on the exchange, pending the approval or disapproval by the committee on admissions of the proposed transfer, unless the contract is expressly made on behalf of another member of the exchange or on behalf of a firm registered on the exchange which will continue to be a firm so registered notwithstanding the completion of such transfer. No contract made by a member proposing to transfer his membership or by his firm after the said tenth day shall, if the transfer is approved by the committee on admissions, be the basis of a claim against the proceeds of the transfer thereof under subdivision third of section 3 of this article, but may, if the transfer is to another partner in the firm registered on the exchange in which the transferring member is a partner, constitute the basis of a claim under said subdivision third of section 3 against the proceeds of the subsequent transfer of such membership by the partner to whom it is transferred.

On the tenth day after the posting of notice of a proposed transfer of membership all exchange contracts of the member proposing to make the transfer or of his firm shall mature and, if not settled, shall be closed out as in the case of an insolvency, unless the same are assumed or taken over by another member of the exchange or firm registered thereon.

¹²As amended June 5, 1930.

Notice of a transfer to be made by the committee on admissions pursuant to the provisions of the constitution shall be posted as in the case of a voluntary transfer, and shall have the same effect in respect to open contracts and unmatured debts and obligations of the former member as in the case of a voluntary transfer.

SEC. 3. Upon any transfer of membership, whether made by a member voluntarily or by the committee on admissions in pursuance of the provisions of the constitution, the proceeds thereof shall be applied to the following purposes and in the following order of priority, viz:

First. The payment of all dues, fines, contributions, and charges payable to the exchange by the member whose membership is transferred, and all indebtedness of such member thereto.

Second. The payment of all dues, fines, assessments, and charges payable by such member to the stock-clearing corporation, and all indebtedness of such member thereto.

Third. The payment to creditors who are members of the exchange or firms registered thereon of all filed claims arising from contracts subject to the rules of the exchange entered into prior to the general amendment of the constitution in 1925 if and to the extent that the same shall be allowed by the committee on admissions, and such claims arising from members' contracts entered into subsequent to such date, if and to the extent that the same shall be determined by the committee on admissions to have arisen out of contracts had between the parties thereto in the ordinary course of business and shall have been allowed by the committee on admissions.

All contracts which do not, pursuant to section 2 of this article, mature by reason of the transfer of the membership may for the purposes hereof be treated as though they had matured pursuant to said section, and the amount due thereon may be fixed and determined by the committee on admissions on the basis of market values or such other basis as shall be deemed fair and just by said committee.

If a claim based on a contract is contingent or the amount that will be ultimately due thereon can not for any reason be immediately ascertained and determined, the committee on admissions may out of the proceeds of the membership reserve and retain such amount as it may deem appropriate pending the determination of the amount due on such claim.

A claim shall be allowed by the committee on admissions only for the amount due thereon after the proceeds of the sale of all collateral held therefor or the fair value of such collateral as determined by the committee on admissions has been credited thereon and the committee on admissions may require that any such collateral shall be disposed of before passing on the claim.

Fourth. If the proceeds of a transfer of a membership are insufficient to pay all the claims arising out of contracts allowed by the committee on admissions, said claims shall be paid pro rata, except as provided in sections 4 and 5 of this article.

Fifth. The surplus, if any, of said proceeds shall be paid to the person whose membership is transferred, or to his legal representatives, upon the execution by him or them of a release or releases satisfactory to the committee on admissions.

SEC. 4. A member of the exchange or firm registered thereon shall forfeit all right under section 3 of this article to share in the proceeds of a membership which has been transferred, unless such member or firm files a statement of his or its claim with the committee on admissions prior to the transfer; such claim as allowed by the committee on admissions may be paid out of any surplus remaining after all other claims allowed by said committee have been paid in full, and may be paid in preference to claims referred to in section 5 of this article not already paid when it is filed.

SEC. 5. Claims growing out of transactions between partners who are members of the exchange shall not share in the proceeds of the membership of one of such partners until after all other claims as allowed by the committee on admissions have been paid in full.

SEC. 6. When a member dies, his membership may be disposed of by the committee on admissions.

SEC. 7. When a member is expelled or becomes ineligible for reinstatement, his membership may be disposed of forthwith by the committee on admissions.

SEC. 8. The death, expulsion, or suspension of a member shall not affect the rights of creditors under the provisions of section 3 of this article.

SEC. 9. When a member is in debt to another member, the death of the creditor member or the transfer of his membership, either by himself voluntarily or by the committee on admissions, shall not affect the rights of said creditor member, his firm, or estate to share in the proceeds of the membership of the debtor member under this article in the same manner and to the same extent as if such creditor member had not died or his membership had not been transferred.

ARTICLE XV.—*Members' contracts and exchange contracts*

SECTION 1. All contracts of a member of the exchange, or of a firm having a member of the exchange as a general partner, with any other member of the exchange, or with any other firm having a member of the exchange as a general partner, for the purchase, sale, borrowing, loaning, or hypothecation of securities, or for the borrowing, loaning, or payment of money, whether occurring upon the floor of the exchange or elsewhere, are members' contracts.

SEC. 2. Exchange contracts shall include all members' contracts—

(1) Made on the exchange.

(2) Not made on the exchange, unless made subject to the rules of another exchange, or unless the parties thereto have expressly agreed that the same shall not be exchange contracts.

SEC. 3. The provisions of the constitution of the exchange and of the rules adopted pursuant thereto shall be a part of the terms and conditions of all exchange contracts, and all such contracts shall be subject to the exercise by the governing committee and the standing committees and the stock clearing corporation of the powers in respect thereto vested in them by the constitution and rules.

ARTICLE XVI.—*Insolvent members—Suspension—Reinstatement*

SEC. 1. A member who fails to perform his contracts, or is insolvent, or who is a partner in a firm, registered upon the exchange, which fails to perform its contracts, or is insolvent, shall immediately inform the secretary, in writing, that he or his firm is unable to meet his or its engagements, and prompt notice thereof shall be given to the exchange. He shall thereby become suspended from membership until, after having settled with his creditors, or the creditors of his firm, he has been reinstated by the committee on admissions.

SEC. 2. Whenever it shall appear to the president that a member or firm registered on the exchange has failed to meet his or its engagements or is insolvent, or the president has been advised by the committee on business conduct or the executive committee of the stock clearing corporation that such member or firm is in such financial condition that he or it can not be permitted to continue in business with safety to his or its creditors or the exchange, the president shall announce to the exchange the suspension of such member or firm, which suspension shall continue until the member has been reinstated, as provided in the last preceding section.

SEC. 3. Every member suspended under the provisions of this article, shall immediately afford every facility required by the committee on admissions for the investigation of his affairs, and shall after the announcement of his suspension file with the secretary of the exchange a written statement covering all information required by the committee on admissions, including a complete list of his creditors and the amount owing to each.

SEC. 4. If a member, suspended under the provisions of this article, fails to settle with his creditors and apply for reinstatement, within one year from the time of his suspension, or within such further time as the governing committee may grant, or fail to obtain reinstatement as hereinafter provided, his membership shall be disposed of by the committee on admissions.

The governing committee may, by a two-thirds vote of the members present, extend the time of settlement for periods not exceeding one year each.

SEC. 5. When a member, suspended under the provisions of this article, applies for reinstatement, notice thereof shall be given by the secretary to the members of the exchange, by notifying each member of such application directly and through the weekly bulletin, and by posting notice upon the bulletin board, at least one week prior to the consideration by the committee on admissions of said application. The applicant shall furnish to said committee a list of his creditors, a statement of the amounts originally owing, and the nature of the settlement in each case. If he furnishes satisfactory proof of settlement with all his

creditors, the committee shall proceed to ballot for him in accordance with its rules and regulations. Failing to receive the approving vote of two-thirds of the entire committee, the applicant shall be entitled to be balloted for at two subsequent regular meetings of the committee, to be designated by himself: *Provided, however*, That the three ballotings to which the applicant shall be entitled shall be within one year from the date of his suspension, or within such further extended time for settlement as may have been granted by the governing committee.

If on the third ballot the applicant be rejected, he may appeal within 10 days thereafter to the governing committee, who may by an affirmative vote of not less than 25 of its members reinstate the applicant.

SEC. 6. Whenever the governing committee shall determine, upon the report of the committee on admissions, that a member suspended under the provisions of this article has been guilty of irregularities or unbusinesslike dealing, said member may by a two-thirds vote of the existing members of the governing committee, be declared ineligible for reinstatement.

SEC. 7. A member of the exchange suspended under the provisions of this article may be proceeded against by the governing committee for any offense committed by him either before or after the announcement of his suspension, in all respects as if he were not under suspension.

SEC. 8. A member suspended under the provisions of this article who has not been declared ineligible for reinstatement and who has not also been suspended under the provisions of Article XVII hereof may have his business transacted at members' rates.

ARTICLE XVII.—*Expulsion and suspension from membership*

SECTION 1. Unless otherwise specifically provided, the penalty of suspension from membership may be inflicted, and the period of suspension determined, by a vote of a majority of the existing members of the governing committee; and the penalty of expulsion from membership or of ineligibility of a suspended member for reinstatement may be inflicted by the vote of two-thirds of the existing members of said committee.

SEC. 2. A member who shall be adjudged by a two-thirds vote of all the existing members of the governing committee to be guilty of fraud or of fraudulent acts shall be expelled.

SEC. 3. A member who shall be adjudged by a majority of all the existing members of the governing committee guilty of making a fictitious transaction or of giving an order for the purchase or sale of securities the execution of which would involve no change of ownership, or of executing such an order with knowledge of its character, shall be suspended or expelled as said committee shall determine.

SEC. 4. Purchases or sales of securities or offers to purchase or sell securities, made for the purpose of upsetting the equilibrium of the market and bringing about a condition of demoralization in which prices will not fairly reflect market values, are forbidden, and any member who makes or assists in making any such purchases or sales or offers to purchase or sell with knowledge of the purpose thereof, or who, with such knowledge, shall be a party to or assist in carrying out any plan or scheme for the making of such purchases or sales or offers to purchase or sell, shall be deemed to be guilty of an act inconsistent with just and equitable principles of trade.

SEC. 5. Whenever the governing committee shall adjudge that a member has made a misstatement upon a material point to the governing committee or to a standing or special committee of the exchange or to the executive committee or board of directors of the Stock Clearing Corporation, or on his application for membership has made a material misstatement to the committee on admissions, the governing committee shall suspend or expel said member as it may determine.

Whenever the governing committee shall adjudge that a member prior to his application for membership has been guilty of a fraudulent or dishonest act and that the facts and circumstances thereof were not disclosed to the committee on admissions on his application for membership, the governing committee may expel such member.

SEC. 6. A member who shall be connected, either through a partner or otherwise, with another exchange or similar organization in the city of New York

which permits dealings in any securities dealt in on the exchange or who directly or indirectly deals upon such exchange or organization or who deals publicly outside the exchange in securities listed or quoted on the exchange shall be liable to suspension or expulsion as the governing committee may determine.

SEC. 7. A member who shall have been adjudged by a majority vote of all the existing members of the governing committee guilty of a violation of the constitution of the exchange or guilty of a violation of a rule adopted pursuant to the constitution, or guilty of the violation of a resolution of the governing committee regulating the conduct or business of members or guilty of conduct or proceedings inconsistent with just and equitable principles of trade may be suspended or expelled as the said committee may determine, unless the offense is the violation of a resolution or rule for which a different penalty has been provided, in which case such other penalty may be imposed.

SEC. 8. The governing committee may, by a vote of a majority of all its existing members, suspend from the exchange for a period not exceeding five years a member who may be adjudged guilty of any act which may be determined by said committee to be detrimental to the interest or welfare of the exchange.

SEC. 9. If a member of the exchange is required by the governing committee to submit his books and papers, or the books and papers of his firm, or any portion thereof, to said committee or to any standing or special committee, or to furnish any information to or to appear and testify before, or to cause any of his partners or employees to appear and testify before any such committee, or is required by the law committee or the committee on business conduct to submit his books and papers or the books and papers of his firm, or any portion thereof to said law committee or committee on business conduct, or to furnish information to or to appear and testify or cause any of his partners or employees to appear and testify before such committee, and shall refuse or fail to comply with such requirement, he may be suspended or expelled, as the governing committee may determine.

SEC. 10. If the governing committee shall deem that it is to the interest and welfare of the exchange, or to the public interest, or in the interest of just and equitable principles of trade, to facilitate the examination by the authorities of another exchange of any transaction in which a member of the exchange has been concerned and that the testimony of such member, his partners, or employees or his books and papers, or the books and papers of his firm or any partner therein, are material to such examination and shall direct such member to appear and testify, or to cause any of his partners or employees to appear and testify, or to produce such books and papers before the authorities of said other exchange, or any committee thereof, for the purposes of such examination, and the member of the exchange shall refuse or fail to comply with such direction, he may be adjudged guilty of an act detrimental to the interest or welfare of the exchange.

SEC. 11. An accusation, charging a member before the governing committee with having committed an offense, shall be in writing; it shall specify the charge or charges against such member with reasonable detail, and shall be signed by the person or persons making the charge or charges. A copy of such charge or charges shall be served upon the accused member either personally, or by leaving the same at his office address during business hours, or by mailing it to him at his place of residence. He shall have 10 days from the date of such service to answer the same, or such further time as the governing committee in its discretion may deem proper. The answer shall be in writing, signed by the accused member, and filed with the secretary of the exchange. Upon the answer being filed, or if the accused shall refuse or neglect to make answer as hereinbefore required, the governing committee shall, at a regular or special meeting thereafter, proceed to consider the charge or charges; if such meeting be a special meeting, notice of the object thereof shall be sent to the members of the committee. Notice of such meeting shall be sent to the accused; he shall be entitled to be personally present thereat, and shall be permitted in person to examine and cross-examine all the witnesses produced before the committee, and also to present such testimony, defense, or explanation as he may deem proper. After hearing all the witnesses and the member accused, if he desires to be heard, the governing committee shall determine whether said member is guilty of the offense or offenses charged. If it deter-

mines that the accused is guilty, the governing committee may expel such member, or may suspend him, as the case may be; the result shall be announced to the exchange by the president, and a written notice thereof served upon said member in the manner hereinbefore provided. The finding of the governing committee shall be final and conclusive.

SEC. 12. Should a member be accused before the governing committee of having committed an offense the penalty for which is limited to a fine of not exceeding \$250 or to suspension for a period not exceeding 60 days, said committee may proceed summarily, and the method of procedure required by the preceding section shall not apply. The accused shall be summoned before the committee, informed of the nature of the accusation against him, and afforded an opportunity for explanation by personal or other testimony. If the committee shall determine by a majority vote of all its existing members that the accused is guilty, it may, by a similar vote, impose the penalty for the offense. If the penalty imposed is suspension, the result shall be announced as under the preceding section.

SEC. 13. When a member is suspended by the governing committee, such member shall be deprived during the term of his suspension of all rights and privileges of membership, except those pertaining to the gratuity fund, but he may be proceeded against by the governing committee for any offense other than that for which he was suspended.

The expulsion of a member terminates all rights and privileges arising out of his membership except such rights in respect to the proceeds of the transfer thereof as he may have under the provisions of sections 3 and 9 of Article XIV.

SEC. 14. No member of the exchange shall have the right to be represented by professional counsel in any investigation or hearing before the governing committee or any standing or special committee.

ARTICLE XVIII.—*Stock-clearing corporation*

SECTION 1. The rights of the exchange as owner of the capital stock of the Stock Clearing Corporation shall be exercised by the governing committee.

SEC. 2. In every exchange contract delivery and payment shall be made through the Stock Clearing Corporation, as required by the by-laws and rules of said Stock Clearing Corporation, unless otherwise stipulated in the bid or offer or it is otherwise agreed by the parties to the contract, or the Stock Clearing Corporation, either in the particular instance or in pursuance of its by-laws and rules, will not act in the matter.

If a party to any such contract is not a clearing member, as defined in the by-laws of the Stock Clearing Corporation, he shall cause the transaction to be cleared or settled for him by a clearing member.

SEC. 3. The by-laws and rules of the Stock Clearing Corporation and the amendments thereto adopted from time to time and approved by a majority of the governing committee of the exchange shall be a part of the terms and conditions of every contract which is to be cleared or settled through the Stock Clearing Corporation.

ARTICLE XIX.—*Commissions*

SEC. 1.¹⁸ Commissions shall be charged and collected upon the execution of all orders for the purchase or sale for account of others of securities admitted to dealings upon the exchange, and these commissions shall be at rates not less than the rates in this article prescribed; and shall be net and free from any rebate, return, discount, or allowance made in any shape or manner, or by any method or arrangement direct or indirect. No bonus or percentage or portion of a commission, whether such commission be at or above the rates herein established, or any portion of a profit except as may be specifically permitted by the constitution or a rule adopted by the governing committee, shall be given, paid, or allowed, directly or indirectly, or as a salary or portion of a salary, to a clerk or person for business sought or procured for any member of the exchange or firm registered thereon.

SEC. 2.⁷ Commissions shall be as follows:

(a) On business for parties not members of the exchange, including joint account transactions in which a nonmember is interested, and on transactions for partners not members of the exchange:

⁷ Effective June 10, 1926.

¹⁸ As amended May 13, 1926.

On stocks ¹⁴ (except as to 10-share-unit stocks, as stated below) :

Price and rate per share

Selling under 50 cents.....	As mutually agreed.
Selling at 50 cents and above, but under \$1.....	Not less than 3 cents.
Selling at \$1 and above, but under \$10.....	Not less than 7½ cents.
Selling at \$10 and above, but under \$25.....	Not less than 12½ cents.
Selling at \$25 and above, but under \$50.....	Not less than 15 cents.
Selling at \$50 and above, but under \$75.....	Not less than 17½ cents.
Selling at \$75 and above, but under \$100.....	Not less than 20 cents.
Selling at \$100 and above, but under \$200.....	Not less than 25 cents.
Selling at \$200 and above, but under \$250.....	Not less than 30 cents.
For each additional \$50 in price.....	5 cents additional.

Provided, however, That on every transaction which involves an amount of \$15 or more, the minimum commission shall be not less than \$1.

On 10-share-unit stocks (as designated by the committee of arrangements) : ^{14 15}

Price and rate per share

Selling at less than \$1 per share.....	As mutually agreed.
Selling at \$1 per share and above, but under \$5.....	Not less than 5 cents.
Selling at \$5 per share and above, but under \$10.....	Not less than 10 cents.
Selling at \$10 per share and above, but under \$100.....	Not less than 20 cents.
Selling at \$100 per share and above.....	The same rates as provided for other stocks.

On bonds : ¹⁴ Not less than \$2.50 ¹⁵ per \$1,000 par value.

On subscription rights :

Price and rate per right

Selling under 50 cents.....	As mutually agreed.
Selling at 50 cents and above, but under \$1.....	Not less than 3 cents.
Selling at \$1 and above, but under \$5.....	Not less than 5 cents.
Selling at \$5 and above, but under \$10.....	Not less than 7½ cents.
Selling at \$10 and above.....	Not less than 15 cents.

(b) On business for members of the exchange when a principal is not given up :

On stocks (except as to 10-share-unit stocks, as stated below) : ¹⁴

Price and rate per share

Selling under 50 cents.....	As mutually agreed.
Selling at 50 cents and above, but under \$1.....	Not less than ¾ cent.
Selling at \$1 and above, but under \$10.....	Not less than 1¾ cents.
Selling at \$10 and above, but under \$125.....	Not less than 3¾ cents.
Selling at \$125 and above.....	Not less than 5 cents.

On 10-share-unit stocks (as designated by the committee of arrangements) : ^{14 15}

Price and rate per share

Selling at less than \$1 per share.....	As mutually agreed.
Selling at \$1 per share and above, but under \$5.....	Not less than 2 cents.
Selling at \$5 per share and above, but under \$10.....	Not less than 4 cents.
Selling at \$10 per share and above.....	Not less than 8 cents.

On bonds : Not less than \$1.25 ¹⁴ per \$1,000 par value.¹⁴

On subscription rights :

Price and rate per right

Selling under 50 cents.....	As mutually agreed.
Selling at 50 cents and above, but under \$1.....	Not less than ¾ cent.
Selling at \$1 and above, but under \$5.....	Not less than 1¾ cents.
Selling at \$5 and above, but under \$10.....	Not less than 1¾ cents.
Selling at \$10 and above.....	Not less than 3¾ cents.

¹⁴ See also par. (d) re "Obligations of the United States, Puerto Rico," etc., p. —.

¹⁵ Effective June 10, 1926. As amended Jan. 7, 1931.

¹⁶ As amended Oct. 29, 1925, and Jan. 17, 1930.

(c) On business for members of the exchange when a principal is given up:
On stocks (except as to 10-share-unit stocks, as stated below):¹⁴

Price and rate per share

Selling under 50 cents.....	As mutually agreed.
Selling at 50 cents and above, but under \$1.....	Not less than ½ cent.
Selling at \$1 and above, but under \$10.....	Not less than 1¼ cents.
Selling at \$10 and above, but under \$125.....	Not less than 2½ cents.
Selling at \$125 and above.....	Not less than 3 cents.

Except that when the amount dealt in is less than 100 shares of stock the commission shall be not less than 1 cent per share on stocks selling below \$10 per share and 2 cents per share on stock selling at \$10 per share and over.

On 10-share-unit-stocks (as designated by the committee of arrangements):^{14 17}

Price and rate per share

Selling at less than \$1 per share.....	As mutually agreed.
Selling at \$1 per share and above, but under \$5.....	Not less than 1 cent.
Selling at \$5 per share and above, but under \$10.....	Not less than 2 cents.
Selling at \$10 per share and above.....	Not less than 4 cents.

On bonds: Not less than 75 cents¹⁸ per \$1,000 par value.¹⁴

On subscription rights:

Price and rate per right

Selling under 50 cents.....	As mutually agreed.
Selling at 50 cents and above, but under \$1.....	Not less than ½ cent.
Selling at \$1 and above, but under \$5.....	Not less than ¾ cent.
Selling at \$5 and above, but under \$10.....	Not less than 1¼ cents.
Selling at \$10 and above.....	Not less than 2½ cents.

(d) On obligations of the United States, Puerto Rico, Philippine Islands, and States, Territories, and municipalities therein; bonds or notes having five years or less to run; securities which, pursuant to call or otherwise, are to be redeemed within 12 months:¹⁹

Such rates to members or nonmembers as may be mutually agreed upon: *Provided, however*, That the committee on quotations and commissions may determine special rates on any or all of the above-mentioned securities, reporting the same to the governing committee.²⁰

Sec. 3. If a member of the exchange, or firm registered thereon, engages in transactions in which the member or firm is acting as a dealer in securities of original issue, the rates of commission prescribed in this article shall not apply to such transactions if not made on the exchange: *Provided, however*, That such transactions shall be subject to such regulations as the committee on quotations and commissions may from time to time prescribe.

Sec. 4. No member shall make a proposition for the transaction of business at less than the minimum rates of commission prescribed in this article.

ARTICLE XX.—*Office address; partnerships and other business connections; branch offices*

SECTION 1. Every member shall register with the secretary an address and subsequent changes thereof where notices may be served. The registered address of every member who personally transacts business upon the exchange must be in its vicinity.

Members may by the consent and approval of the committee on quotations and commissions establish offices other than main offices. Such offices must be in charge of a partner or of a manager or clerk acceptable to said committee. All offices of members shall be subject to such rules as may be prescribed from time to time by the committee on quotations and commissions, with the approval of the governing committee.

¹⁴ See also par. (d) re "Obligations of the United States, Puerto Rico," etc., p. —.

¹⁷ As amended June 10, 1926, and Jan. 7, 1931.

¹⁸ As amended Oct. 29, 1925, June 28, 1928, and Jan. 17, 1930.

¹⁹ As amended Dec. 16, 1926.

²⁰ See note 1, on p. —.

The committee on quotations and commissions may require that the name, remuneration, term of employment, and actual duties of any employee of a member of firm shall be stated to the committee, together with such other information with respect to the employee as the committee may deem requisite; and said committee may, in its discretion, disapprove of said employment, remuneration, or term of employment.

No employee shall be paid other than a fixed salary not varying with the business unless the prior written approval therefor shall have been given by the committee on quotations and commissions.

SEC. 2. No member shall conduct business under a firm name unless he shall have at least one general partner, or was conducting business in such name at the time of the adoption of the revised constitution of 1925: *Provided, however,* That if by death or otherwise the general partners in a firm registered on the exchange are reduced to the exchange member he may continue business in the firm name for such period only as may be allowed by the committee on quotations and commissions.

When a member intends to form a partnership, or admit other individuals to an existing partnership, he shall duly notify the secretary in writing to that effect, and opportunity shall be given the committee on quotations and commissions to consider the proposed arrangement before the same becomes effective. On receipt of such notice from a member, the secretary shall cause the same to be posted upon the bulletin of the exchange, and it shall also be published in the weekly bulletin. A member shall promptly notify the secretary of the retirement from a partnership of which he is a member of any individual or of the dissolution of such partnership.

Every partner in a firm represented on the exchange must have a fixed or determinable interest in its entire business.

SEC. 3. No person shall at the same time be a member of more than one firm represented on the exchange, whether as a general or as a special partner.

SEC. 4. A member shall not form a partnership nor, unless permitted by the governing committee, continue in partnership with a suspended member of the exchange, nor with any person who has been expelled therefrom, nor with an insolvent person, or a person who may have previously been a member of the exchange and against whom any member holds a claim, arising out of transactions made during the time of such membership, and which has not been released or settled.²¹

SEC. 5. A firm having as a general partner a member of the exchange, shall be entitled to have its business transacted at the rates of commission prescribed for members.

The privilege provided for under this section shall extend to a branch house or branch office only when conducted under the same name as the parent firm and when the partners and their respective interests therein are identical with the partners and their respective interests in the parent firm.

A member, who is a special partner in a firm, does not thereby confer any of the privileges of the exchange on such firm, and on all business done by him for such firm commissions must be charged and collected at rates not less than the rates prescribed in Article XIX.²²

SEC. 6. A member of the exchange who is a general partner in a firm represented thereon is liable to the same discipline and penalties for any act or omission of said firm, as for his own personal act or omission; but the governing committee may in its discretion by a vote of not less than 30 members relieve him from the penalty therefor.

SEC. 7. Whenever it shall appear to the governing committee that a member has formed a partnership, or established an office or headquarters, or is individually or through any member of his firm, interested in a partnership or business, or has formed any business connection whatever whereby the interest or good repute of the exchange may suffer, said committee may require the dissolution of any such partnership or discontinuance of such business, office or headquarters, or business connection, as the case may be.

SEC. 8. Whenever it shall appear to the governing committee that a member, individually or through his firm, or a partner or partners therein, has such a business connection with a corporation or association that the corporation or association dominates the business of the member or firm or controls the policy of such business, said committee shall require the discontinuance of such business connection.

²¹ As amended Aug. 11, 1927.

²² As amended Oct. 25, 1928.

ARTICLE XXI.—*Corporations and associations*

A member of the exchange or firm registered thereon shall not act as a broker for any corporation or association in the purchase or sale of securities if such corporation or association is controlled through stock ownership or otherwise by such member or firm or by a member or members of such firm and is itself engaged in the business of buying and selling securities as broker for others.

If a member of the exchange or a partner of such member is an officer, director, or employee of any corporation or association engaged in the business of buying and selling securities for its own account or as broker for others, or if such member or his partner or firm is a stockholder in any such corporation or association, such member shall not participate in any commission paid by such corporation or association unless either such member or the firm in which he is a partner is engaged in a general brokerage business and in connection with such business actively participates in the transaction on which such commission is paid or such member is actively engaged in business as a floor broker.

No member of the exchange or firm registered thereon shall suffer or permit any corporation or association engaged in the business of buying and selling securities for its own account or as broker or agent for others to use as its office the office or any branch office of such member or firm, or to employ in its business the same business organization as that employed by such member or firm, nor voluntarily suffer or permit any such corporation or association to conduct its business under a name that does not clearly differentiate such corporation or association from such member or firm.

If a member of the exchange or a firm registered thereon, or a member or members of such firm control, directly or indirectly through stock ownership or otherwise, a corporation or association engaged in the business of buying and selling securities for its own account or as broker or agent for others, such member or firm shall be responsible for any fraud committed by such corporation or association or for any act or proceeding of such corporation or association contrary to just and equitable principles of trade or detrimental to the interest or welfare of the exchange, or tending to defeat the purpose of the commission law of the exchange or any provision of the constitution of the exchange or rules or resolutions adopted pursuant thereto, to the same extent and in the same manner as though such fraud or act or proceeding had been the fraud, act, or proceeding of such member or firm and such member or firm shall be under the same duty to produce the books, records, and papers of any such corporation or association for the examination and inspection of the governing committee of the exchange or of any standing or special committee thereof, or of anyone acting under the authority of any such committee, and to furnish evidence in regard to the acts and proceedings of such corporation or association, and shall be subject to the same penalties for the neglect of such duty, as if such books, records, papers, acts and proceedings were the books, records, papers, acts and proceedings of such member or firm.

THE GRATUITY FUND AND ITS TRUSTEES

ARTICLE XXII.—*The gratuity fund*

SECTION 1. Every person who shall become a member of the exchange shall pay to the trustees of the gratuity fund the sum of \$15 before he shall be admitted to the privilege of membership.²³

SEC. 2. Each member of the exchange, by signing the constitution, pledges himself to make, upon the death of a member of the exchange, a voluntary gift to the family of each deceased member in the sum of \$15, which shall be paid by the member at quarterly periods on the dates on which dues to the exchange are to be paid.²⁴

SEC. 3. The faith of the exchange is hereby pledged to pay, within one year after proof of death of any member, out of the money collected under the provisions of this article, the sum of \$20,000, or so much thereof as may have been collected, to the persons named in the next section, as therein provided, which money shall be a voluntary gift from the other members of the exchange, free from all debts, charges, or demands whatever.²⁴

²³ As amended Apr. 24, 1930.

²⁴ As amended Mar. 28, 1930.

SEC. 4. Should the member die leaving a widow and no issue, then the whole sum shall be paid to such widow for her own use.

Should the member die leaving a widow and issue, then one-half shall be paid to the widow for her separate use and one-half to the child for its use or to the children for their use, share and share alike: *Provided*, That the share of minor children shall be paid to their guardian and that the issue of any deceased child shall be entitled to receive the share which said child would have received if living, if of age directly, or if minors, through his, her, or their guardian or guardians.

Should the member die leaving issue and no widow, then the whole sum shall be paid to the children as directed in the preceding paragraph to be done with the moiety; but no adopted child shall share in the gratuity if the member leaves a widow or issue.

Should the member die leaving neither widow nor issue, but an adopted child or children, then the whole sum shall be paid to such adopted child or children, the issue of any deceased adopted child to take the share which the parent would have taken if living: *Provided*, That such adoption shall have been in such manner and form that it will be recognized as valid by the courts of the State of New York.

Should the member die leaving neither widow, issue, adopted child, nor issue of a deceased adopted child, then the whole sum shall be paid to the same persons who would, under the laws of the State of New York, take the same by reason of relationship to the deceased member had he owned the same at the time of his death; and if there be no such person, then the amount applicable under section 3 of this article in such case shall be held by the trustee of the gratuity fund for the general purposes of that fund.

In case any person entitled to any gratuity shall be under age and have no guardian entitled to receive payment at the maturity thereof, the trustees may, in their discretion, deposit such money with the Bank of New York & Trust Co. or the United States Trust Co., as the property of, and in trust for, such minor; and in like manner if any person apparently entitled to any payment fails to claim, or has disappeared or can not be found after reasonable inquiry, the trustees may deposit the presumptive share of such person in either of said trust companies to the credit of "the trustees of the gratuity fund of the New York Stock Exchange, in trust," to the end that it may be paid to such person, if afterwards found, or otherwise to the parties who may subsequently establish their right thereto; a similar discretion shall apply in the case of any dispute between claimants for a gratuity or a portion thereof.

In all cases a certified copy of the proceedings before a surrogate or judge of probate shall be accepted as proof of the rights of the claimants, be deemed ample authority to the exchange to pay over the money, shall protect the exchange in so doing, and shall release the exchange forever from all further claim or liability whatsoever.

SEC. 5. Nothing herein contained shall ever be taken or construed as a joint liability of the exchange or its members for the payment of any sum whatever; the liability of each member, at law or equity, being limited to the payment of \$10 only on the death of any other member, and the liability of the exchange being limited to the payment of the sum of \$10,000, or such part thereof as may be collected, after it shall have been collected from the members, and not otherwise.

SEC. 6. Nothing herein contained shall be construed as constituting any estate in esse which can be mortgaged or pledged for the payment of any debts; but it shall be construed as the solemn agreement of every member of the exchange to make a voluntary gift to the family of each deceased member, and of the exchange, to the best of its ability, to collect and pay over to such family the said voluntary gift.

SEC. 7. The trustees of the gratuity fund shall pay over to the treasurer of the exchange the net income which has been received as interest on the fund during each year, less the necessary expenses of management and distribution, and each member of the exchange shall be credited with his proportion of the amount in reduction of his payments under this article.

SEC. 8. The provisions of this article shall not extend to any member whose connection with the exchange shall have been severed by the transfer of his membership, whether the same is made voluntarily or involuntarily, nor to any member who now is or hereafter may be expelled by the governing committee, but shall extend to suspended members.

ARTICLE XXIII.—*The trustees of the gratuity fund*

SECTION 1. The execution of the provisions of the preceding article, and the management and distribution of the fund created thereunder shall be under the charge of a board of trustees, acting as agent for the exchange to be known as "the trustees of the gratuity fund," and to consist of the president and the treasurer of the exchange, and of five other trustees chosen for the term of five years.

In case of a vacancy occurring among the five chosen trustees, the governing committee, at its next regular meeting thereafter, shall proceed to fill the same until the next annual election of the exchange.

SEC. 2. It shall be the duty of the trustees to invest and keep securely invested, in accordance with the laws of the State of New York regulating trust funds, all the principal of the gratuity fund and accretions arising therefrom other than interest.

All stock shall be registered in the name of "the trustees of the gratuity fund of the New York Stock Exchange," but without specifying the individual names of such trustees, and may be disposed of and assigned by any four of said trustees.

SEC. 3. On the first Monday after the annual election of the exchange, or as soon thereafter as may be practicable, the trustees of the gratuity fund shall organize by electing a chairman and a secretary and treasurer of the gratuity fund, who shall serve for one year or until their successors shall be chosen. The offices of secretary and treasurer may be held by the same person.

SEC. 4. There shall be a regular meeting of the trustees on the third Monday in each month. The chairman may call a special meeting at any time; he shall call a meeting at the request of two trustees. At a meeting four trustees shall constitute a quorum.

SEC. 5. It shall be the duty of the chairman to preside at meetings; he shall vote on all questions; he shall present to the governing committee at its first regular meeting in January of each year a report of the condition of the fund, with a statement by the treasurer of receipts and disbursements.²⁵

SEC. 6. It shall be the duty of the secretary to keep regular minutes of the proceedings of the trustees, and to give notice of meetings.

SEC. 7. It shall be the duty of the treasurer to receive and sign vouchers for all moneys paid to the trustees, which he shall deposit in such institutions as they may direct, to his credit as "treasurer of the gratuity fund of the New York Stock Exchange."

He shall have the custody of all securities belonging to the fund, subject to the examination and control of the trustees.

He shall keep, or cause to be kept, proper books of account.

He shall receive and keep a record of all claims for payment under Article XXII of the constitution of the exchange, and present the same to the trustees for their action; when allowed and approved by the trustees, he shall pay the same; but no such payment shall be made until directed by the trustees.

He shall make such investments for the fund as may be ordered by the trustees, and report the same to the trustees at the next regular meeting.

His books shall always be open to the inspection of any trustee, and he shall make to the chairman an annual statement of receipts and disbursements.

He shall receive out of the fund such compensation per annum as may be fixed by the trustees and approved by the governing committee of the exchange.

SEC. 8. The trustees shall have power at their discretion to consult and employ legal counsel; they shall be authorized to make disbursements out of the fund to defray necessary expenses.

SEC. 9. In case of a vacancy occurring in the office of chairman, or secretary and treasurer, the trustees shall forthwith proceed to fill the same for the unexpired term. In case of the temporary absence or inability to act of either the chairman or secretary and treasurer, the trustees shall have power to appoint one of their number to act in his stead pro tem.

SEC. 10. The governing committee of the exchange shall, at all times, have the right to direct the production before it of the securities belonging to the fund, the secretary's book of minutes and the treasurer's books of account.

It shall be the duty of the finance committee of the exchange to make an annual examination of the condition of the fund; and it shall have the right at any time to make such additional examination thereof as it may deem proper.

²⁵ As amended Feb. 11, 1926.

ARTICLE XXIV.—*Definitions*

SECTION 1. The following terms, as used in this constitution and in the rules adopted pursuant thereto, shall, unless the context otherwise indicates, be construed as follows:

(a) The rules of the exchange shall include the constitution and all rules adopted pursuant thereto;

(b) The term "security" or "securities" shall include stocks, bonds, notes, certificates of deposits or participation, trust receipts, rights, warrants, and other similar instruments.*

(c) The term "the list" shall mean the list of securities admitted to dealings on the exchange.

ARTICLE XXV.—*Alterations of the constitution*

The governing committee may make additions, alterations, or amendments to the constitution by a majority vote of all its existing members. Every proposed addition, alteration, or amendment must be presented, in writing, at a regular meeting of the governing committee, and referred to the committee on constitution, which shall report thereon at the next regular meeting of the governing committee, or at a special meeting expressly called for the purpose of considering it. Action thereon may be postponed to a fixed date by a vote of two-thirds of the members of the governing committee present. Such additions, alterations, or amendments when adopted by the governing committee shall be posted on the bulletin board of the exchange and be submitted to the exchange and if not disapproved by a majority vote of the entire membership within two weeks after the adoption thereof by the governing committee, shall stand as the law of the exchange:

Provided, however, That if there shall be recorded less than a majority but not less than 350 votes against an addition, alteration, or amendment, it shall not go into effect unless and until it is thereafter approved by a vote of two-thirds of the existing membership of the governing committee.

No alteration of Article XXII shall ever be made which will impair, in any essential particular, the obligation of each member to contribute, as therein provided, to the provision for the families of deceased members.

ARTICLE XXVI

SECTION 1. The provisions of the constitution of the exchange in force immediately prior to the adoption of this constitution shall be superseded hereby, except that such adoption shall not affect the liability of any member of the exchange for any offense theretofore committed, or any rights or liabilities theretofore acquired or incurred.

RULES ADOPTED BY THE GOVERNING COMMITTEE PURSUANT TO THE CONSTITUTION

At a meeting of the governing committee held on April 23, 1926, the following was adopted:

Resolved, That the exchange shall conform to New York City local time.

CHAPTER I.—*Dealings upon the exchange*

SECTION 1. Except as otherwise ordered by the governing committee, the exchange shall be opened for the entrance of members upon every business day at 30 minutes after 9 o'clock a. m.; at 10 o'clock official announcement shall be made that the exchange is open for the transaction of business, and it shall so remain until 3 o'clock p. m., when it shall be officially announced to be closed; except that on half holidays the closing shall be at 12 o'clock, noon.

SEC. 2. Dealings upon the exchange shall be limited to the hours during which the exchange is open for the transaction of business; and a fine of \$50 for each offense may be imposed by the committee of arrangements upon any member who shall make any bid, offer, or transaction before or after those hours. Loans of money or securities may be made after the official closing of the exchange.

* As amended June 26, 1928.

SEC. 3. Only such securities, rights pertaining to securities, and securities on a "when issued" basis as shall be admitted to dealing by the governing committee, or pursuant to the eleventh and twelfth paragraphs of section 1, Article X, of the constitution shall be dealt in on the exchange.

SEC. 4. No member shall make, in the rooms of the exchange, a transaction with a nonmember, in any security admitted to dealing on the exchange; but this rule shall not apply to transactions with the secretary or with a person designated by the committee of arrangements for the purpose of closing contracts "under the rule" or with an employee of the exchange or of the Stock Clearing Corporation engaged in carrying out arrangements approved by the governing committee to facilitate the borrowing and lending of money.¹

SEC. 5. All bids made and accepted and all offers made and accepted in accordance with these rules shall be binding; and all contracts thereby effected and all other exchange contracts shall be subject to the exercise by the governing committee and the standing committees of the exchange of the powers in respect thereto vested in the governing committee and in said standing committees by the constitution of the exchange and to all provisions of said constitution and of the rules adopted pursuant thereto. Among the powers to the exercise of which said contracts shall be subject as aforesaid are the powers of the governing committee pursuant to section 2, 5, and 7 of Article III of the constitution and of the powers of the committee on securities pursuant to subdivision 11 of section 1 of Article X of the constitution; said contracts shall also be subject to the power of the governing committee to declare any day to be a holiday or to close the exchange by reason of any emergency or otherwise, and to make such regulations in regard to deliveries as it may deem proper because thereof; said contracts shall also be subject to the exercise by the Stock Clearing Corporation of the powers reserved to said Stock Clearing Corporation by its by-laws and rules.

SEC. 6. The unit of trading in bonds shall be \$1,000 in par value thereof.

The unit of trading in stocks shall be 100 shares; except that in the case of inactive stocks, as designated by the committee of arrangements, the unit of trading shall be 10 shares.²

Bids or offers for less than the unit of trading shall specify the par value of the bonds or number of shares of stock covered by the bid or offer.

SEC. 7. Bids and offers may be made only as follows, and may be made simultaneously, as being essentially different propositions, and may be accepted without precedence of one over another, but when made without stated conditions shall be considered to be in the "Regular way":

A. In stocks, securities of the United States, Puerto Rico, and the Philippine Islands, and of States, Territories, and municipalities therein, and convertible notes and bonds, except that the committee of arrangements may provide rules relating to the bidding and offering of inactive stocks:²

(a) "Cash," that is, for delivery upon the day of contract.

(b) "Regular way," that is, for delivery upon the full business day following the contract.

(c) "At three days," that is, for delivery upon the third day following the contract.

(d) "Buyer's option" or "seller's option," for not less than 4 days nor more than 60 days.

(e) "When issued," that is, for delivery when issued as determined by the committee on securities.

B. In bonds (other than those mentioned in paragraph A, and such bonds as may be designated by the committee of arrangements to be otherwise dealt in):²

(a) "Cash," that is, for delivery upon the day of contract.

(b) "Next day," that is, for delivery upon the full business day following the day of contract.

(c) "Regular way," that is, for delivery upon the full business day following the day of contract, except that when the seller states at the time of closing the transaction on the floor of the exchange that the bonds are sold for delayed delivery, said delivery shall be made on the seventh day following the day of contract (unless such day is a holiday or half holiday, when section 8 of Chapter III shall apply), and may be made on any full business day prior thereto upon one day's written notice being given by the seller before 4.30

¹ As amended Dec. 4, 1929. See note 4 on p. —.

² As amended June 9, 1926.

p. m. on a full business day or 1.30 p. m. on a half holiday, or intention so to do. Said written notice may not be given on the day of contract.

(d) "Buyer's option," that is, for not less than 2 days nor more than 60 days.

(e) "Seller's option," for not less than 8 days nor more than 60 days.

(f) "When issued," that is, for delivery when issued as determined by the committee on securities.

On transactions for more than three days, but not including transactions in bonds for delivery "regular way," as described in paragraph B, subparagraph (c), written contracts shall be exchanged on the day following the transaction, and shall not carry interest unless otherwise agreed; on such contracts one day's notice shall be given, at or before 2.15 p. m. on a full business day or 11.45 a. m. on a half holiday before the securities shall be delivered prior to the maturity of the contract.²

On transactions in bonds, "regular way, delayed delivery," special contract exchange tickets shall be exchanged on the day of the transaction, as provided for in the rules of the Stock Clearing Corporation.

When written contracts shall have been exchanged the signers thereof only are liable.

On offers to buy "seller's option" or to sell "buyer's option," the longest option shall have precedence. On offers to buy "buyer's option" or to sell "seller's option," the shortest option shall have precedence.

SEC. 8. (a) The recognized quotations shall be public bids and offers on lots of one trading unit of stocks or bonds, or multiples of either, as the case may be.²

(b) All bids or offers for more than one trading unit of stocks or bonds shall be considered to be for the amount thereof or any less number of units.

(c) If a bid is made for a larger lot above the price at which smaller lots are offered, or if a transaction is made in a larger lot above the price at which smaller lots are offered, the bidder for the larger lot or the buyer of such lot shall be compelled to buy any or all of the smaller lots which were publicly offered at the time, at the lower price, up to the amount of the larger lot. If the bid for the larger lot is accepted and the buyer is unwilling to buy more, the seller of the larger lot must give up to the members who were publicly offering to sell at the lower price such amounts as they were publicly offering to sell at the lower price if the claim is made immediately.

(d) If an offer is made to sell a larger lot below the price which is bid for smaller lots, or if a transaction is made in a larger lot below the price which is bid for smaller lots, the member offering to sell the larger lot or the seller of such lots, shall be compelled to sell any or all of the smaller lots which were publicly bid for at the time at the higher price, up to the amount of the larger lot. If the offer of the larger lot is accepted and the seller is unwilling to sell more, the buyer of the larger lot must give up to the members who were publicly bidding the higher price such amounts as they were publicly bidding for at the higher price if the claim is made immediately.

(e) A member may sell on offer the largest amount bid for without regard to priority of bids. Should the offer be of an amount larger than the largest bid, the balance shall go to the next largest bidder in sequence, bids for equal amounts being on a parity.

A similar principle shall apply to buying on bids.

(f) A claim by a member who states that he had on the floor a prior or better bid or offer shall not be sustained if the bid or offer was not made with the publicity and frequency necessary to make the existence of such bid or offer generally known at the time of the transaction.

(g) Disputes arising on bids or offers, if not settled by agreement between the members interested, shall be settled, if practicable, by vote of the members knowing of the transaction in question; if not so settled, it shall be settled by any member of the committee of arrangements.

(h) This section shall not apply to lots of less than 100 shares of stock or \$1,000 par value of bonds, nor to active openings when bids and offers are simultaneous, nor to specific classes of securities as to which the committee of arrangements has made rulings regarding the method of dealing.⁴

² As amended June 9, 1926.

³ As amended Dec. 4, 1929.

⁴ As amended June 9, 1925.

SEC. 9. Bids or offers shall not be made at a less variation than one-eighth of \$1 in stocks and one-eighth of 1 per cent of the par value of bonds: *Provided, however,* That the committee of arrangements may from time to time, in its discretion, determine that transactions may be made at variations less than the above, fixed by said committee, on transactions in foreign and domestic government bonds and notes, State, county, and municipal securities, short-time bonds and notes of corporations, or on rights and stocks selling at a price of one-eighth or less, which said variations shall thereafter be in effect and be reported to the governing committee.²

SEC. 10. The offering in a public manner—

(a) To buy or sell securities "on stop," above or below the market, or

(b) To buy or sell securities "at the close" is forbidden

SEC. 11. No offers to buy or sell privileges to receive or deliver securities shall be made publicly on the exchange.

SEC. 12. A member violating any provision of sections 6, 7, 8, 9, 10, or 11 of this chapter, or of any ruling made by the committee of arrangements regarding the method of dealing in securities or the quoting thereof, shall be fined by said committee in a sum not exceeding \$250 or said committee may report the member to the governing committee, who may fine him in a sum not exceeding \$250 or suspend him for a period not exceeding 60 days.²

SEC. 13. When a member has an order to buy and an order to sell the same security he must offer such security, if bonds at one-eighth of 1 per cent and if stocks at one-eighth of \$1 higher than his bid before making a transaction with himself, if not so already bid or offered.

SEC. 14. No party to a contract shall be compelled to accept a substitute principal unless the name proposed to be substituted shall be declared in making the bid or offer and as a part thereof.

SEC. 15. Members of the exchange and firms registered thereon, unless exempted from the provisions hereof by the committee on quotations and commissions, shall cause to be kept in their offices a record of the time of day at which all transactions take place in securities admitted to dealings on the exchange.³

CHAPTER II.—*Exchange of tickets; comparisons*

SECTION 1. It shall be the duty of every member to report each of his transactions as promptly as possible at his office, where he shall furnish opportunity for prompt exchange of tickets or comparison.

SEC. 2. An exchange of tickets shall be made in the manner required by the by-laws and rules of the Stock Clearing Corporation and shall constitute a comparison. In all cases in which an exchange of tickets or special contract exchange tickets is not so required comparisons shall be made by an exchange of an original and a duplicate comparison ticket; the party to whom the comparison ticket is presented shall retain the original, if it be correct, and immediately return the duplicate duly signed.

SEC. 3. It shall be the duty of the seller to exchange tickets or to make comparison in respect to each transaction at the office of the buyer not later than one hour and a half after the closing of the exchange, except as may otherwise be prescribed by the by-laws and rules of the Stock Clearing Corporation. Nothing in these rules shall be construed to justify a refusal to compare before the closing of the exchange.

SEC. 4. It shall be the duty of the buyer to investigate before 10 o'clock a. m. of the day after the purchase each transaction which has not been compared by the seller.

SEC. 5. On contracts other than those on which delivery is required to be made in accordance with the by-laws and rules of the Stock Clearing Corporation, when delivery has not been made, it shall be the duty of the buyer to send to the seller a "fail to deliver" ticket not later than 10 o'clock a. m. on the day following the day on which delivery was not made in accordance with the terms of the contract; such ticket shall be in duplicate; the party to whom the ticket is presented shall retain the original, if it be correct, and immediately return the duplicate duly signed.

SEC. 6. Neglect of a member to comply with the provisions of sections 1, 2, 3, 4, or 5 of this chapter shall render him liable to such fine, not exceeding

² As amended June 9, 1926.

⁵ See note 3, p. —.

³ See note 2, p. —.

§250, as may be imposed by the committee of arrangements, unless such neglect consists in the failure to observe the by-laws and rules of the Stock Clearing Corporation, in which case the matter shall be dealt with by the Stock Clearing Corporation.

SEC. 7. The neglect or failure of a member to exchange tickets on a contract in cleared securities as defined in the by-laws and rules of the Stock Clearing Corporation, which contract is to be cleared through said corporation, shall constitute a default; and such defaulted contract shall be closed as provided in Chapter IV hereof, except that the limit of time for delivery of notice of intention to close such contract shall be 10.30 o'clock a. m. of the following business day, and the time of closing shall not be before 11 o'clock a. m.

SEC. 8. An original party to a transaction who has acted therein as broker for another member or members may give up to the other original party to said transaction the name or names of such other member or members, but such giving up or the acceptance of such give up or give ups shall not constitute a substitution of principals. The member or members so given up shall have the same duties in the matter of comparison as devolve upon original parties; and no original party shall refuse to compare with the member or members so given up.

Orders issued by the Stock Clearing Corporation for the receipt or delivery of securities shall be binding and enforceable upon members or firms for whom the Stock Clearing Corporation acts.

SEC. 9. No exchange of tickets or comparison or failure to exchange tickets or to compare, and no notification or acceptance of notification, such as notification of failure to receive or failure to deliver, shall have the effect of creating or of canceling a contract, or of changing the terms thereof, or of releasing the original parties from liability, except that special contract exchange tickets exchanged pursuant to section 7 of Chapter I shall constitute contracts. When a mistake in an exchange of a ticket or a comparison or in notification of failure to receive or of failure to deliver is made, either by a member in person or by any of his partners or clerks, thereby causing a loss to another member, or when a failure to promptly fulfill the duties imposed upon a member by any of the above rules causes a loss to another member, the member sustaining the loss may bring a claim before the arbitration committee, joining as defendants, if he so elects, any or all of the members concerned, which committee may render such decision against any or all of the defendants as the facts in the case may warrant.

SEC. 10. The price at which an order is executed on the exchange shall be binding, notwithstanding the fact that an erroneous report in respect thereto may have been rendered; and no member shall assume or pay any part of the difference between the price at which an order is executed and the price at which it may have been erroneously reported.¹

CHAPTER III.—*Payment and delivery; settlement of contracts; stamp taxes*

SECTION 1. In all deliveries of securities, the party delivering shall have the right to require the purchase money to be paid upon delivery; if delivery is made by transfer, payment may be required at time and place of transfer; provided, however, that payment on deliveries through the Stock Clearing Corporation shall be made in conformity with the by-laws and rules of said Stock Clearing Corporation.

SEC. 2. The receiver of shares of stock shall have the option of requiring the delivery to be made either in certificates therefor or by transfer thereof; except that in cases where personal liability attaches to ownership, the seller shall have the right to make delivery by transfer.

If the receipt or delivery is made through the Stock Clearing Corporation the right to require receipt or delivery by transfer shall be exercised only as prescribed in the rules of said Stock Clearing Corporation.

The right to require receipt or delivery by transfer shall not obtain while the transfer books are closed.

SEC. 3. The buyer must, not later than 2.15 o'clock p. m. on any full business day, accept and pay for all of a lot of stock contracted for, or any portion of a lot which may be tendered in accordance with the terms of the contract and

¹ As amended June 9, 1926.

the rules of the exchange and of the Stock Clearing Corporation in lots of one trading unit or multiples thereof; and he may buy in, as provided in Chapter IV hereof, the undelivered portion.¹

This rule shall also apply to contracts for bonds, when tender is made in lots of \$1,000 par value or multiples thereof; except that on bonds sold "delayed delivery" the full lot must be tendered unless otherwise mutually agreed.

SEC. 4. Deliveries of securities on a full business day must be made before a quarter after 2 o'clock p. m., and if a delivery is not made by that time the contract may be closed as provided in Chapter IV hereof. In the absence of any notice or agreement, the contract shall continue without interest until the following full business day; but in every case of nondelivery of securities the party in default shall be liable for any damages which may accrue thereby; and all claims for such damages must be made before 3 o'clock p. m. on the business day following the default.

SEC. 5. On half holidays observed by the exchange, securities sold specifically for "cash" must be delivered and received at or before 11.30 o'clock a. m. In case of default the contract may be closed after 11.40 o'clock a. m., as provided in Chapter IV hereof.

SEC. 6. Parties receiving securities shall not deduct from the purchase price any damages claimed for nondelivery, except by the consent of the party delivering the same.

SEC. 7.² Notice for the return of loans of money or of noncleared securities as defined in the by-laws and rules of the Stock Clearing Corporation, must be given before 12.15 o'clock p. m. of the day on which the return is to be made. Notice for the return of loans of cleared securities, as defined in the by-laws and rules of the Stock Clearing Corporation, must be given before 3.45 o'clock p. m. of the full business day preceding the day on which the return is to be made; on half holidays observed by the exchange such notice must be given before 12.45 o'clock p. m. All such notices shall be considered as in full force until delivery is made.

SEC. 8. All contracts "at three days" and "buyer's" and "seller's" option falling due on holidays or half holidays observed by the exchange shall be settled on the preceding full business day, except that when two or more consecutive days are holidays or half holidays, contracts falling due on other than the first of such days shall be settled on the next full business day.

All contracts "regular way" falling due on holidays and half holidays observed by the exchange shall mature on the succeeding full business day, unless otherwise specified.

Loans of money or securities made on the day preceding a holiday or half holiday observed by the exchange shall mature on the succeeding full business day unless otherwise specified.

SEC. 9. When a disagreement arising from a transaction in securities shall be discovered, the money difference shall forthwith be established by purchase or sale, or by mutual agreement.

SEC. 10. Each delivery of securities subject to a tax on transfer or sale must be accompanied by a sales ticket stamped in accordance with the regulations of the United States and the State of New York, except that in the case of securities cleared by or deliverable through Stock Clearing Corporation sales tickets so stamped shall be delivered in accordance with the by-laws and rules of Stock Clearing Corporation.³

CHAPTER IV.—Closing contracts

SECTION 1. When announcement is made of the suspension of a member or firm pursuant to the provisions of Article XVI of the constitution, members having exchange contracts with the member or firm shall without unnecessary delay proceed to close the same on the exchange or in the best available market, except in so far as the by-laws and rules of the Stock Clearing Corporation are applicable and provide the method of closing. Should a contract not be closed, as above provided, the price of settlement for the purposes of section 3 of Article XIV of the constitution shall be fixed by the price current at the time when such contract should have been closed under this rule.

SEC. 2. A contract in listed securities which has not been fulfilled according to the terms thereof may be officially closed by the secretary, or by a member of

¹ Adopted Aug. 10, 1927.

² As amended Feb. 25, 1932.

³ As amended Apr. 23, 1930.

the committee of arrangements, or by a person designated by the committee of arrangements, as provided in these rules.⁴

The order to close such contract shall be delivered to the secretary and the notice of intention to make such closing must be delivered at the registered address of the member or firm in default; the order to close and the notice of intention to close shall be delivered at or before 2.30 p. m., on any day, but such contract shall not be closed before 2.35 o'clock p. m.; except that on half-holidays observed by the exchange contracts relating to securities sold specifically "for cash" may be closed in the manner provided by section 5 of Chapter III.

The member or firm for whose account a contract is being closed shall not be permitted to accept the bid or offer.

SEC. 3. Every order to close or notice of intention to close a contract, because of nondelivery, shall be in writing, and shall state the name of the member or firm by whom the order is given, the date of the original contract to be closed out, and for whose account—all of which shall be announced before closing the contract.⁴

The closing of a contract made in conformity with such notice shall be also for the account and liability of each succeeding party in interest.

SEC. 4. Notice of intention to close a contract may be given upon the entire amount in default or upon any portion thereof, but in this latter case for not less than one trading unit.¹

SEC. 5. When notice that a contract will be closed is received too late for transmission to other members or firms interested in such contract, within the times stated therefor, the notified member or firm who is unable to so transmit said notice may, immediately after the official closing, reestablish such contract by a new purchase or sale in the "regular way," and any loss arising therefrom shall be a valid claim against the successive party or parties in interest.

SEC. 6. When a member has issued a notice of intention to close a contract for default in delivery, he must receive and pay for securities due upon such contract if tendered at his office by 2.30 o'clock p. m., or thereafter if notice is given to the secretary before said contract is closed that the securities are in the physical possession of the member for whose account the contract is being closed and have been or will be tendered, before said closing, at the office of the member giving said order to close the contract.

SEC. 7. When a contract has been closed, the member or firm who gave the order must give prompt notice of such closing to the member or firm in default.

Notification to successive parties in interest must be transmitted without delay, and claims for damages, arising therefrom, must be made prior to 3 o'clock p. m. of the business day following the closing of the contract.

SEC. 8. When a contract has been closed, there shall be indorsed upon the order therefor the name of the purchaser or seller, the price and the hour at which such contract was closed, and the secretary shall thereafter ascertain whether the money difference, if any, has been paid. If such difference shall not be paid within 24 hours after the closing of the contract, the secretary shall report such default to the president.

SEC. 9. When a contract is closed, any member or firm accepting the bid or offer, and not complying promptly therewith, shall be liable for any damages resulting therefrom.

SEC. 10. When a loan of money is not paid at or before 2.15 o'clock p. m. of the day upon which it becomes due, the borrower shall be considered as in default, and the lender may, without notice, sell the securities pledged therefor, or so much thereof as may be necessary to liquidate the loan, in the manner prescribed in the foregoing rules.

SEC. 11. A contract in securities not dealt in on the exchange which has not been fulfilled according to the terms thereof may be closed on the best available market by the party thereto who is not in default. Otherwise the rules contained in this chapter applicable to the closing of contracts of listed securities shall be followed as nearly as may be.

SEC. 12. When securities listed on the exchange are stricken from the list or trading therein is suspended by the governing committee, and in any case in which, in the opinion of the governing committee, there is no fair market in any security, the governing committee may provide that contracts therein shall not be closed under the provisions of this chapter until the governing committee has determined that there is a fair market in which the same may be closed.

¹ As amended June 9, 1926.

⁴ As amended July 11, 1928.

CHAPTER V.¹—*Marking to the market*

SECTION 1.² The party who is partially unsecured by reason of a change in the market value of the subject of an exchange contract may demand from the other party the difference between the contract price and the market price. Such difference shall bear interest at the current renewal rate for call loans except in the case of a contract for the borrowing and loan of securities when such difference shall be considered part of such loan. The party from whom such difference is demanded shall immediately either (a) pay the same directly or through Stock Clearing Corporation to the party who is partially unsecured, or (b) deposit the same with Stock Clearing Corporation if permitted by its by-laws and rules.

The holder of a duebill may require the maker of the duebill to deposit the full amount due thereon with the Stock Clearing Corporation, and, where said duebill is for securities or for rights, the holder may require the deposit of the market value thereof and either the holder or maker of said duebill may require that it shall thereafter be kept marked to the market.

All demands for the difference between the contract price and the market price or for deposits on duebills shall be made during the hours during which the exchange is open for business, shall be in writing, and shall be delivered at the office of the party upon whom the demand is made, and shall be complied with immediately.

If the party making a deposit with the Stock Clearing Corporation is not a clearing member as defined in the by-laws of the Stock Clearing Corporation, he shall cause the deposit to be made for him by a clearing member. The cash so deposited with the Stock Clearing Corporation shall be held by it subject to its by-laws and rules.

SEC. 2. Failure of either party to a contract or of either the holder or the maker of a duebill to comply with the provisions of this chapter shall be a failure to fulfill a contract according to its terms.

CHAPTER VI.—*Transfers for dividends; Interest on bonds, etc.*

SECTION 1.³ Transactions in shares shall be ex-dividend or ex-rights, as the case may be, on the record date as fixed by the corporation or on the day of the closing of transfer books therefor, except transactions therein made specifically for "cash." Such such record date or such closing of transfer books occur upon a holiday or half-holiday observed by the exchange this rule shall apply for the preceding full business day. The committee on securities may, however, in any particular case direct otherwise.

SEC. 2.³ The buyer shall be entitled to receive all dividends, rights, and privileges, except voting power, which may pertain to securities contracted for, for which a record date is fixed by the corporation or the transfer books shall close during the pendency of the contract.

When such contract shall mature before the date fixed for payment of such dividend there shall be delivered for such dividend a duebill signed or guaranteed by a member.

Duebills for dividends shall be redeemable on the date the dividend is paid.

When a security is sold before the day on which it is quoted "ex-rights" and is delivered thereafter, the buyer shall, on its delivery, pay only the market price of the security "ex-rights." He shall pay the balance due on the contract, when the seller delivers the "rights," at any time on or before the day set by the committee on securities for settlement of contracts in said "rights."

When a security is loaned before the day on which it is quoted "ex-rights," and is returned thereafter, the lender shall on its return pay only the market price of the security "ex-rights." He shall pay the balance due on the contract, when the borrower delivers the "rights," at any time on or before the day set by the committee on securities for settlement of contracts in "rights."

The foregoing shall also apply in the case of stock or scrip dividends, except that such stock or scrip dividends shall be due and deliverable on the distribution date thereof.

SEC. 3. (a) In settlement of contracts in interest-paying bonds there shall be added to the contract price interest at the rate specified in the bond, which

¹ As amended Aug. 26, 1931.

³ As amended Dec. 4, 1929.

² In effect Sept. 29, 1927.

shall be computed up to but not including the day of maturity of contract in all cases except "time-option" contracts and "regular way delayed delivery" contracts.

(b) On a contract in interest-paying bonds, "seller's, or buyer's option" at a rate agreed upon (as seller or buyer 20, 2 per cent), the interest specified in the bond shall be computed to and including the day of sale; and thereafter interest at the agreed rate shall be computed on the contract price plus accrued interest. An agreed rate of interest must be computed for actual elapsed days.

On a contract in interest-paying bonds "regular way delayed delivery," interest at the rate specified in the bond shall be computed up to but not including the next "delivery day" following the date of the transaction and shall be "flat" thereafter unless otherwise agreed.

(c) Bonds selling "and interest" shall so continue until, in the event of a default, the committee on securities rules otherwise.

(d) Bonds upon which the interest is in default shall carry all unpaid coupons.

(e)¹ Registered bonds shall not sell ex-interest on the day the books close for payment of interest. In settlement of contracts in interest-paying registered bonds, interest must be added to the date of maturity of contract, and a due-bill, signed by the party in whose name the bond stands or by a member or his firm for the full amount of the interest to be paid by the company, must accompany the bond until interest is paid; the duebill issued by a nonmember must be paid when due by the member or firm guaranteeing it.

(f)¹ Interest at the rate specified in an interest-paying bond shall be computed on a basis of a 360-day year, i. e.:

Every calendar month is one-twelfth of 360 days—30 days.

Every period from a date in one month to the same date in the following month is 30 days.

(g)¹ Income bonds, unless otherwise directed by the committee on securities, shall be dealt in "flat."

(h) Bonds or notes dealt in flat shall be ex-interest as directed by the committee on securities.

SEC. 4. A charge of 1 per cent may be made for the delivery of dividends or rights pertaining to securities which the holder has failed to transfer. For stock or scrip dividends or rights the charge shall be computed on the market value thereof at the time of the closing of the transfer books.

No charge shall be made for collecting dividends or rights accruing on securities deliverable on a contract.

SEC. 5. When securities are borrowed or loaned the sum agreed upon, either as interest for carrying or as premium for use, shall be paid whether such securities are delivered or not.

SEC. 6.² Unless otherwise agreed, all loaned securities shall carry the renewal rate of interest or the renewal premium established on the floor of the exchange, for the securities in question.

SEC. 7. Where a member has contracted to borrow money on collateral, the simple payment of interest by the borrower, after 3 o'clock p. m., without actually effecting or properly endeavoring to effect the loan, shall be held to be an evasion of the contract, and is forbidden.

CHAPTER VII.—Commissions

SECTION 1. In transactions where orders are received from a nonmember, and the broker filling the order is directed to give up another broker or clearing firm, the responsibility for collecting the full commission specified in section 2, Article XIX of the constitution, shall rest with the broker or clearing firm settling the transaction.

SEC. 2. In transactions where orders are received from a member, and a clearing firm is given up by said member or by his order, the responsibility of collecting the full commission specified in section 2, Article XIX, of the constitution shall rest with said clearing firm; and it shall be the duty of the broker who executes such orders to report the transactions to the clearing firm and render his bill to them therefor at the rates specified; a broker who

¹ As amended Dec. 4, 1929.

² As amended June 24, 1931—effective June 29, 1931.

executes an order for a member and clears the security himself must charge the rates specified in said section.

SEC. 3.¹ When a nonmember shall cause to be executed in a market not in the United States or Canada an order for the purchase or sale of securities listed on this exchange, and said purchase or sale shall be accepted by a member of this exchange, or firm registered thereon, for the account of said nonmember, the commission specified in section 2, Article XIX, of the constitution shall be charged the nonmember in addition to any commission charged by the party or parties making the transaction.

SEC. 4. When securities are received or delivered for a nonmember, on a privilege, the commission specified in paragraph (a) of section 2, Article XIX, of the constitution must be charged.

SEC. 5. When a member receives and delivers securities for another member, the clearing charge for said service may be a matter of mutual agreement, said charges to be based upon a stipulated sum of money for each 100 shares of stock or \$1,000 of bonds; the payment of a certain sum of money for any period of time for said service, irrespective of the number of shares or amount of bonds cleared, is forbidden.

SEC. 6. No member shall without commission or for a nominal commission, transact or offer to transact for any customer who is dealing in securities dealt in on the exchange, any business in cotton, grain, produce, or other commodities.

SEC. 7. No member shall agree to give reciprocal business in cotton, grain, produce, or other commodities, dependent upon the amount of business received by him in securities dealt in on the exchange.

SEC. 8. The execution of "bunched" orders, without the charging of the required commission, is forbidden.

SEC. 9. Any agreement or arrangement between a member and his customer, whereby special and unusual rates of interest are given or money advanced upon unusual terms, with intent to give special or unusual advantage to such customer, for the purpose of securing his business, is forbidden.

Transactions in securities dealt in on the New York Stock Exchange being based on delivery and settlement in New York City, all payments with respect thereto must be made accordingly.

If settlements with customers in the case of sales by them are made at any time prior to the actual date of settlement in New York or at any time subsequent thereto in the case of purchases, interest, at not less than the approximate ruling rates for money, for the full time involved must be deducted or added as the case may be.

In transactions where the amount of interest is less than \$1, the collection of the interest involved may be waived at the discretion of the member. Any abuse of this privilege may be held to be an act detrimental to the interest and welfare of the exchange.²

SEC. 10. An allowance for interest on short sales of stock shall not be more than the loan market rates for the stocks borrowed or used for such short sales.

SEC. 11. No member shall make any transaction in a listed security "over the counter" for his own account, or the account of his firm, or for that of a partner, or for any account in which either he or they have a direct or indirect interest, and a reverse operation upon the exchange at or about the same time, wherein the difference between the purchase and sale prices is less than the recognized commission on such a purchase or sale.

SEC. 12. No member shall, directly or indirectly, by agreement or otherwise, assume or bear for his own account or relieve his principal from any part of any stamp tax imposed by the United States or by any State on transfers or sales of securities.

SEC. 13. No member shall assume for his own account or for the account of his firm, a contract made for a customer after a loss to the customer has been established or ascertained unless the contract was made by mistake or unless the consent of the committee on quotations and commissions has first been obtained.³

CHAPTER VIII.—*Advertising*⁴

SECTION 1. No member shall publish an advertisement of other than a strictly legitimate business character.

¹ As amended Nov. 23, 1927.

² Amended May 25, 1927.

³ Adopted Oct. 26, 1927.

⁴ See sec. 8 of Ch. XIII regarding advertising by radio.

SEC. 2. Every advertisement of a member, unless it is in a general form approved by the committee on business conduct, must, before publication, receive the approval of said committee.

SEC. 3. Every advertisement of a member offering to make purchases or sales of listed securities, must, before publication, in addition to the approval required by section 2, receive the approval of the committee of arrangements.

CHAPTER IX.—*Visitors; communications*

SECTION 1. Visitors shall not be admitted to the floor of the exchange except by permission of the president or the committee of arrangements.

SEC. 2. Communications shall not be read to the exchange without the consent of the president or the committee of arrangements.

CHAPTER X.—*Arbitrage; continuous quotations*

SECTION 1. Arbitrage, or trading between this exchange and that of any other city in the United States, based on quotations made on the floor of the exchange, is forbidden.

SEC. 2. The sending, from the floor of the exchange, of continuous quotations is forbidden. Continuous quotations are successive quotations occurring at intervals of 15 minutes or less.

SEC. 3. The committee of arrangements is charged with the enforcement of the above rules, the prevention of such business or trading, and the sending of such quotations, and with the bringing of charges against any member engaging therein.

SEC. 4. Members who propose to operate in joint-account arbitrage between this exchange and foreign cities shall file with the secretary of the exchange a statement giving the names and addresses of all parties to the joint account, with a copy of all agreements bearing thereon, which shall include a statement of the proposed division of the profits from said account; and said members shall obtain the approval of the committee on quotations and commissions.

SEC. 5. All subsequent changes in agreements shall be submitted to said committee.

SEC. 6. A transaction, once originated for the joint account, shall not be canceled or assumed by another account or principal.

SEC. 7. All securities purchased or sold by either party to the joint account shall be reported at the actual price at which the transaction occurred.

SEC. 8. On securities which are permitted to be dealt in on this exchange, the joint account shall be charged the regular commission, both here and abroad.

SEC. 9. The basis on which commissions on nonlisted securities are to be charged shall be reported to said committee.

SEC. 10. The expense of cables, insurance, and similar charges is to be charged to the joint account.

SEC. 11. Monthly and other accounts of both parties to the joint account, and all orders, reports, documents, and original cables pertaining to the joint account, shall be kept on file in the New York office of the member of the exchange, separately and distinctly from all other business, and shall be subject to the inspection of said committee.

CHAPTER XI.—*Members dealing for their own account*

SECTION 1. No member, while acting as a broker, whether as a specialist or otherwise, shall buy or sell directly or indirectly for his own account or that of a partner, or for any account in which either he or a partner has a direct or indirect interest, securities the order for the sale or purchase of which has been accepted by him or his firm or a partner for execution; except as follows:

Exception (a): A member who, by reason of his neglect to execute an order, is compelled to take or supply on his own account the securities named in the order, is not acting as a broker, and shall not charge a commission.

Exception (b): A member may take or supply the securities named in the order provided the price is justified by the condition of the market and provided that the member who gave the order shall directly, or through a broker authorized to act for him, after prompt notification, accept the trade and report it.

Exception (c): A member, acting as a broker, is permitted to report to his principal a transaction as made with himself when he has orders from two

principals to buy and to sell and not to give up, such orders being executed in accordance with section 13 of Chapter I, in which case he must add to his name on the report the words "on order."

SEC. 2. When a member either takes the book of a specialist temporarily or an order from another member, he shall, while he is in possession of that book or order and for the balance of that particular day, stand in the same relationship to the book or order as the specialist or other member himself.

CHAPTER XII.—*Conducting of accounts*

SECTION 1. The acceptance and carrying of an account for a customer, whether a member or a nonmember, without proper and adequate margin, may constitute an act detrimental to the interest or welfare of the exchange.

SEC. 2. The improper use of a customer's securities is inconsistent with just and equitable principles of trade.

SEC. 3. Reckless and unbusinesslike dealing is inconsistent with just and equitable principles of trade.

SEC. 4. An agreement between a member and a customer, authorizing the member to pledge securities, either alone or with other securities carried for the account of the customer, either for the amount due thereon or for a greater amount or to lend such securities, does not justify the member in pledging or loaning more of such securities than is fair and reasonable in view of the indebtedness of said customer to said member.

SEC. 5. No form of general agreement between a member and a customer shall warrant the member in using securities carried for the customer for delivery on sales made by the member for his own account, or for any account in which the firm of said member or any general or special partner therein is directly or indirectly interested.

SEC. 6. An arrangement by a member for the purchase of securities for account of a customer, to be paid for by the customer on installments or by a series of partial payments, under which the charge for purchasing and carrying any such securities is unreasonable, is an act detrimental to the interest or welfare of the exchange.

SEC. 7. No member shall take or carry a speculative account or make a speculative transaction in which an employee of the exchange, or of a member of the exchange, or of a firm registered thereon, or of a bank, trust company, insurance company, or of any corporation, firm, or individual engaged in the business of dealing, either as broker or as principal, in stocks, bonds, or other securities, bills of exchange, acceptances, or other forms of commercial paper is directly or indirectly interested unless the written consent of the employer has first been obtained. An employee of a corporation of which the exchange owns a majority of the capital stock shall be deemed an employee of the exchange within the meaning of this section.

SEC. 8.¹ No member shall transact any speculative business with or for any telephone clerk employed within the exchange building, whether said clerk be his own employee or an employee of a fellow member, either for the account of said clerk or for the account of any other person.

SEC. 9.² No member or firm shall give to an employee on the floor of the exchange discretion to give orders for the purchase or sale of securities, nor shall any such employee exercise such discretion.

SEC. 10. Every member is required to use due diligence to learn the essential facts relative to every customer and to every order or account accepted by him; also as to the possible use of a name for the account other than that of the party interested.

SEC. 11. No member shall be directly or indirectly interested in or associated in business with, or have his office directly or indirectly connected by public or private wire or other method or contrivance with, or transact any business directly or indirectly with, or for—

(1) Any bucket shop; or
 (2) Any organization, firm, or individual making a practice of dealing on differences in market quotations; or

(3) Any organization, firm, or individual engaged in purchasing or selling securities for customers and making a practice of taking the side of the market opposite to the side taken by customers.

¹ As amended July 13, 1927.

² Adopted Nov. 28, 1928.

CHAPTER XIII.—*Wire and other connections*

SECTION 1. The privilege of telephonic or other wire connection between the office of a member and the exchange shall not be enjoyed as a right of the member but shall rest in the discretion of the committee of arrangements or of the governing committee on an appeal from decision of the committee of arrangements. No appeal shall, however, suspend the operation of said decision.

The committee of arrangements, in its discretion, may grant or withhold such privilege from a member, and, in its discretion, without being obliged to assign any reason or cause for its action, may disconnect or cause to be disconnected any apparatus or means for such communication or may deprive any member of the privilege of using any public telephone or means of communication installed by the exchange for the use of members.

SEC. 2. Every decision of said committee whereby a member is deprived of any such privilege shall be immediately posted upon the bulletin board in the exchange, and every member shall be deemed to have notice thereof.

No member shall, after such notice shall have been posted, directly or indirectly furnish to the member named therein any facilities for communication between the office of the member so named and the floor of the exchange or between the office of the member so named and the office of any other member.

SEC. 3. No member shall establish or maintain wire connection of any description whatsoever or permit wireless communication between his office and the office of any nonmember corporation, firm, or individual transacting a banking or brokerage business without having first obtained the approval of the committee on quotations and commissions therefor.

The applications for such connections or means of communication shall be in a form prescribed by said committee.

The use of public telephone or telegraph service in such manner as to amount to private connection shall be deemed to be within this rule.

SEC. 4. Every such means of communication shall be registered with said committee, together with the telegraphic, telephonic, or wireless calls used in connection therewith; said committee may make such regulations governing said matters as it shall deem necessary or desirable.

SEC. 5. Notice of the discontinuance of any such means of communication shall be promptly given to said committee; and said committee shall have power, at any time in its discretion, to order any such means of communication discontinued.

SEC. 6. No such communication shall be other than by means of a wire or wireless system approved by said committee.

SEC. 7. Every operator employed by either the member or the nonmember shall be registered with said committee, and no such operator shall be employed unless approved by said committee.

SEC. 8. The approval of said committee shall be requisite to the use of a wireless system between the office of a member and any other of his offices; and said committee may, at any time in its discretion, order such means of communication forthwith discontinued.

No member shall make use of wireless to transmit or broadcast market information or forecasts of business, or financial conditions or for any advertising purpose, or to stimulate interest in particular securities or in the market; *Provided, however,* That members may supply quotations to broadcasting stations which have been approved by the committee on quotations and commissions at such intervals and under such regulations as are prescribed by said committee.

SEC. 9. No member shall, directly or indirectly, pay the cost of operators or any other expense pertaining to the office of a nonmember; except that said committee may permit the payment by a member of part or all of the cost of such means of communication between an office of a member and a nonmember as has been approved by the committee on quotations and commissions.

SEC. 10. For each office of a nonmember engaged in the brokerage business where said office is connected in accordance with these rules with an office of a member, there shall be paid to the treasurer of the exchange the sum of \$10 in respect to every month in which any stock or bond business has been transacted at said office; said sum shall be collected from the nonmember by the member designated so to do by the committee on quotations and commissions; but said member may, if he so elect, make such payment, or prorate the charge with the nonmember or with other members connected in accordance with these rules with said nonmember.

(Referring to section 10, Chapter XIII, of the rules (p. 113 of the constitution and rules), the committee on quotations and commissions, acting under the authority of the governing committee, has ruled that commencing January 1 next, and until further notice, the monthly wire charge provided for under the above-mentioned rule will be waived. December 11, 1925.)

CHAPTER XIV.—*Miscellaneous prohibitions*

SECTION 1. When securities are offered for subscription by a member, and the invitation to subscribe states the amount thereof to be presently offered, it is not consistent with just and equitable principles of trade for such member to deliver said securities to an amount greater than that stated in said invitation to subscribe.

SEC. 2.¹ No member or firm registered on the exchange shall be associated with an investment trust, whether management, restricted management or fixed type, either by participating in its organization or management or by offering or distributing its securities, unless the committee on stock list shall have previously determined that it has no objection to such association and shall not have changed such determination.

SEC. 3. The direct or indirect employment of representatives of the press by a member, for the purpose of obtaining advance or confidential information, is forbidden.

SEC. 4. The circulation in any manner of rumors of a sensational character by a member, in any case where such act does not constitute fraud or conduct inconsistent with just and equitable principles of trade, in an act detrimental to the interest or welfare of the exchange.

Members shall report to the secretary of the exchange any information which comes to their notice as to the circulation of such rumors.

SEC. 5. No member of the exchange shall employ any employee of the exchange or any employee of any corporation of which the exchange owns a majority of the capital stock, for any service outside of the hours of regular employment by the exchange or such corporation, without having first obtained the approval thereof of the committee of arrangements or of said corporation as the case may be, and registering therewith the name of said employee, the nature of the services rendered, and the amount of said compensation.

No member shall give any compensation or gratuity to an employee of the exchange or to an employee of another member of the exchange unless the giving of such compensation or gratuity be first submitted in writing to the committee of arrangements and approved. And no member shall give any compensation or gratuity to an employee of the Stock Clearing Corporation unless the giving of such compensation or gratuity be first submitted in writing to said corporation and approved.

Employees of the exchange are forbidden to accept any compensation or gratuity from any member of the exchange for any service rendered or to be rendered except when said compensation or gratuity has been approved by the committee of arrangements.

SEC. 6. Public announcement by a stock exchange firm or one of its members regarding moneys held for the purpose of betting on elections or on any other matters is prohibited.

SEC. 7. Offers on the exchange to buy or sell dividends or to bet upon the course of the market are prohibited.

SEC. 8. No member shall purchase the stamps required by law to be affixed to deliveries and transfers from other than the agencies designated by law.

SEC. 9.² No member shall reopen a contract which is subject to a transfer tax for the purpose of allowing another member to intervene in such transaction, or for the purpose of making a contract in his own interest at a different price.

SEC. 10.³ No member of the exchange or a firm registered thereon shall sign or give a proxy to vote on the stock of a corporation or association registered in the name of such member or firm, except to the actual owner thereof upon demand therefor, unless such stock is in the possession of such member or firm or unless such member or firm or a customer thereof is the owner of or has an interest in such stock at the time such proxy is given.

¹ As amended May 7, 1931. See note 7 on p. —.

² As amended Jan. 9, 1929.

³ Adopted July 7, 1927.

In all cases in which a proxy shall be given by a member of the exchange or a firm registered thereon to vote on stock registered in the name of such member or firm, such proxy shall state the actual number of shares of stock for which the proxy is given.

CHAPTER XV.—*Semiannual and other financial statements*

SECTION 1. Members who carry margin accounts for customers shall furnish to the committee on business conduct, upon its request, which request shall be made not less than twice in each year, a statement of his financial condition or that of his firm in such form as shall be prescribed by said committee.

SEC. 2. Members of the exchange and firms registered thereon carrying margin accounts for customers shall, as of the date of their answer to each questionnaire, cause to be made a complete audit of their accounts and assets, including securities held for safe-keeping, in accordance with such regulations as shall be prescribed by the committee on business conduct, and shall file with said committee a statement to the effect that such audit has been made and whether it is in accord with the answers to the questionnaire. Such statement shall, in the case of each member of the exchange not a member of a registered firm, be signed by such member of the exchange, and in the case of each registered firm shall be signed by each member of such firm unless, for good cause shown, the signature of one or more members is waived by the committee on business conduct. Such statement shall in all cases be attested by the auditors, and the original report of the audit, signed by the auditors, shall be retained as part of the books and records of the member or firm.

SEC. 3. Each member of the exchange and firm registered thereon not carrying margin accounts for customers shall, at least once a year and whenever called upon so to do by the committee on business conduct, report to said committee whether such member or firm holds securities for safe-keeping. Each of such members or firms holding securities for safe-keeping shall, at least once in each year, file with the committee on business conduct a statement that all securities held for safe-keeping have been checked and found to be intact, which statement shall also show in what manner the verification of the securities has been made and the date thereof.

SEC. 4.¹ The committee on business conduct is authorized to require from members of the exchange or their firms a statement, in such form as the committee may prescribe, of the amount of money borrowed on time and on call as of the last business day in each month, compilations based on such information to be made public as soon thereafter as practicable.

CHAPTER XVI.—*Offices and employees therein*

SECTION 1. Members and member firms maintaining customers' offices are required to display therein certificates of membership provided by the exchange. Such certificates shall be at all times the property of the exchange, and every such certificate shall be returned to the exchange on the transfer of his membership by the member of the exchange therein designated or on the dissolution or insolvency of the firm or the permanent closing of the office in which it is displayed or on the demand of the exchange.

SEC. 2. No office, other than the main office of a member, shall be established without the prior approval of the committee on quotations and commissions and the registration thereof with said committee. Applications for permission to establish any such office must be in a form approved by said committee.

SEC. 3. The member establishing an office shall be responsible for the conduct thereof.

Gaming, the serving of lunches, or the use in any wise of an office for other than strict business purposes is forbidden.

SEC. 4. All branch offices shall be entirely separate from and must not occupy joint quarters with an office occupied for the purpose of any other business, with the exception that the committee on quotations and commissions may, in its discretion, approve the maintenance of bond salesmen's headquarters jointly with or as a part of such an office.

SEC. 5. All offices or bond salesmen's headquarters shall be leased and conducted in the name and under the control of the member establishing them,

¹ Adopted Jan. 19, 1926.

and every employee therein must devote his entire time to the business of said office; that is, must not be in business for himself or be employed by any other person or firm, but shall act only as representative of his employer.

The person in charge of a branch office or bond salesmen's headquarters must not be paid a gross sum for the expenses thereof, such as rental, clerk hire, or other expense, but all expenses thereof shall be borne directly by the member.

SEC. 6. Bond salesmen's headquarters shall not be used for the purpose of soliciting commission business, but shall be merely central points for the convenience of bond and security salesmen engaged exclusively in handling bonds or unlisted securities in adjacent territory for the account of their employers. No prices of stocks shall be posted at such headquarters.

SEC. 7.² Members may allow to security salesmen a commission on sales of unlisted securities and on sales of listed bonds owned by said members.

Members may allow to security salesmen a commission on the sale of other listed securities which are owned by said members when such securities have been purchased directly from the issuing company by said members or their firms either alone or acting jointly with other members or nonmembers.

Members, whether acting alone or jointly with other members or nonmembers, may allow to security salesmen a commission on the sale of other listed securities acquired by said members or their firms in any manner other than by purchase directly from the issuing company and on the sale of listed bonds not owned but upon which said members or their firms hold an option, provided the members paying such commission shall have fully disclosed all the circumstances in connection with such transaction to the special committee on secondary distribution and such committee shall have determined that it is not against the interest of the exchange to offer such securities off the floor of the exchange publicly by advertisement or otherwise and shall not have changed such determination.

In all cases where commissions are allowed to security salesmen members may allow similar commissions to such other employees in their offices as may be approved by the committee on quotations and commissions.

SEC. 8.³ The member establishing a branch office shall pay to the exchange at the time said office is established a registration fee of \$100, which fee shall cover registration of said office up to the January 1 next ensuing, on which date in each year a like registration fee shall be paid to the exchange; but said fee shall not be required where such office is in charge of a resident partner or where such office is not connected in any way by private wire or wireless.

SEC. 9. No member shall employ in any office, without the prior approval in each case of the committee on quotations and commissions, any person for the solicitation of business or any so-called customers' man.

All such employees must have fixed and definite duties in such offices requiring their attendance at least during the time that the exchange is open for business.

The employment of a clerk or clerks in a nominal position because of the business obtained by such clerk or clerks is forbidden.

Employment of traveling representatives for the solicitation of commission business in listed securities will not be approved.

CHAPTER XVII.—*Definitions*

The following terms, as used in these rules, shall, unless the context otherwise indicates, be construed as follows:

SECTION 1. A stop order to buy stock becomes a market order when the stock sells at or above the stop price.

A stop order to sell stock becomes a market order when the stock sells at or below the stop price.

SEC. 2. The term "business day," when used in provisions relating to deliveries shall not include Saturday half-holidays or days on which the exchange, pursuant to previous resolution of the governing committee, is not open for business, or days on which the governing committee directs that deliveries are not to be made.

SEC. 3. The term "ticket" as used in these rules shall mean exchange tickets as defined in the rules of the Stock Clearing Corporation.

² As amended Mar. 11, 1931.

³ As amended Oct. 28, 1931, and Dec. 23, 1931.

SEC. 4. The term "delivery" refers to delivery of securities on exchange contracts unless otherwise stated.

NOTES

1. Referring to paragraph (d), section 2, of Article XIX, the committee on quotations and commissions has determined that in the case of bonds or notes having five years or less to run to maturity, when selling below 90 or above 110, the rates specified in section 2, paragraphs (a), (b), and (c), of said article, shall apply. The committee has further determined that on securities which, pursuant to call or otherwise, are to be redeemed within 12 months the rates specified in said article do not apply. On such securities the rates of commission may be mutually agreed upon.

2. Referring to section 15, chapter 1, of the rules, the committee on quotations and commissions has determined that specialists, floor brokers, and odd-lot dealers shall be exempted from the provisions of this rule.

3. Referring to section 9, chapter 1, of the rules, the committee of arrangements has determined that bids or offers in securities of the United States, Puerto Rico and the Philippine Islands, and of States, Territories, and municipalities therein, shall be made at variations of not less than one thirty-second of 1 per cent.

4. With reference to section 4 of chapter 1 of the rules, arrangements made for employees of the Stock Clearing Corporation on the floor of the stock exchange to provide facilities for the borrowing and lending of money were approved by the governing committee.

5. Referring to section 10 of chapter 13, of the rules, the committee on quotations and commissions has ruled that commencing January 1, 1926, and until further notice the monthly wire charge provided for under the above-mentioned rule will be waived.

6. Referring to section 7 of chapter 14 of the rules, pursuant to resolution of the governing committee, the special committee on secondary distribution, consisting of 2 members from the committee on quotations and commissions, 2 members from the committee on stock list, and 1 member from the committee on business conduct was appointed by the president.

7. Referring to subdivision 12 of section 1, article 10, of the constitution and section 2 of chapter 14 of the rules, pursuant to a resolution of the governing committee, in addition to the powers conferred by the constitution, the committee on stock list is authorized to make such rules and regulations as it may deem necessary in regard to the association of a member or firm with an investment trust.

EXHIBIT No. 25, APRIL 21, 1932

(See p. 282 of this hearing)

Statistics in regard to short selling, New York Stock Exchange—Short positions in individual issues April 1, 4, 5, 6, 7, 8, 9, 11, and 12, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 11	Apr. 12
Abitibi Power & Paper Co. (Ltd.)	25	25	25	25	125	100	100		
Abitibi Power & Paper Co. (Ltd.), preferred	25	25	25	25	25	25	25	25	
Adams Express Co.	14,020	14,070	14,020	14,120	14,120	13,710	14,210	14,410	14,210
Adams-Millis Corporation	125	125	125	125	125	125	125	125	125
Advance-Rumely Corporation	43	43	43	43	43				
Affiliated Products (Inc.)	200	15	300	400	800	700	700	800	800
Air Reduction Co. (Inc.)	6,615	6,675	5,795	5,570	6,091	4,796	4,551	3,926	4,639
Alaska Juneau Gold Mining Co.	10,571	18,116	19,494	18,894	18,938	17,625	19,165	19,401	18,057
Alleghany Corporation	8,182	4,532	4,942	4,930	4,930	5,125	4,825	4,750	2,750
Alleghany Corporation, 5½ per cent preferred \$30 warrants	205	205	205	105	105	5	5	5	5
Alleghany Corporation, 5½ per cent preferred \$40 warrants									90
Alleghany Corporation, 5½ per cent preferred without warrants	100	100	100	100	100				
Allied Chemical & Dye Corporation	69,697	68,060	63,420	64,815	64,771	64,472	64,382	63,607	54,223
Allied Chemical & Dye Corporation, preferred	40	40	40	40	40	40	40	40	40
Allis-Chalmers Manufacturing Co.	949	974	874	674	349	504	1,304	504	704
Amerada Corporation	185	185	185	185	185	185	185	385	360
American Bank Note Co.	75	85	85	85	85	115	115	90	90
American Bank Note Co., preferred								9	9
American Beet Sugar Co.	10	10	10	10	10	10	10	10	10
American Brake Shoe & Foundry Co., preferred	2	3	6	6	6	6	6	6	6
American Can Co.	103,615	102,283	91,010	84,694	78,944	80,997	76,957	77,517	75,906
American Can Co. preferred	1	106	105	105	105	50	50	50	50
American Car & Foundry Co.	125	125		25	25	25	100	125	125
American Car & Foundry Co., preferred	8								
American Chile Co.			100					10	60
American Commercial Alcohol Corporation voting trust certificates	3,645	2,690	2,370	1,770	1,600	1,545	920	910	700
American European Securities	200	300	800	1,000	1,000	1,000	1,100	1,100	843
American & Foreign Power Co. (Inc.)	30,429	20,964	19,649	19,279	18,437	18,780	19,579	18,187	17,242
American & Foreign Power Co. (Inc.) preferred	75					125	225	290	260
American & Foreign Power Co., second preferred (A) \$7 cumulative	270	265	240	255	255	280	280	280	260
American & Foreign Power Co. \$6 preferred	271	120	120	120	95	20	20	20	20
American Hide & Leather Co.	10	10	10	10	10	10	10	10	10
American Hide & Leather Co. preferred	120	120	120	120	120	120	120	120	120
American Home Products Corporation	105	205	180	220	220	140	116	90	290
American Ice Co.	1,525	1,325	1,345	1,345	1,130	470	250	250	250
American International Corporation	970	870	795	754	739	1,649	1,589	1,589	389
American Locomotive Co.	425	225	225	225	225		100		
American Locomotive Co. preferred	450	530	545	545	635	610	600	600	465
American Machine & Foundry Co.	400			100	200	200	200	200	125

STOCK EXCHANGE PRACTICES

American Machine & Metals (Inc.)	35	35	35	35	35								
American Metal Co. (Ltd.)	925	1,025	1,025	925	925	500		500		500		500	
American News Co. (Inc.)	200	200	200	200	200		11	11		11		11	
American Power & Light Co.	3,041	2,747	2,522	2,312	2,213	1,591	1,481	681		565		565	
American Radiator & Standard Sanitary Corporation	1,312	1,324	1,987	1,290	962	1,193	1,493	735		453		453	
American Radiator & Standard Sanitary Corporation preferred						5	5	5		5		5	
American Rolling Mill Co.	1,040	1,440	390	290	190	450	410	730		430		430	
American Safety Razor Corporation	40	40	40	20	20	20	20	20		20		20	
American Ship Building Co.	18	18	8	8	8								
American Smelting & Refining Co.	7,385	7,505	7,425	7,590	8,065	6,770	5,065	6,134		6,160		6,160	
American Smelting & Refining Co. 7 per cent preferred	125	155	155	155	130	40	140	140		65		65	
American Smelting & Refining Co. 6 per cent preferred	50	50	50	50	50	135	35	35		235		235	
American Snuff Co.		200	200	150	150	100	50	50		50		50	
American Snuff Co. preferred						7							
American Steel Foundries	22	22	22	40	190								
American Steel Foundries preferred				5	3	20	70	70		20		20	
American Stores Co.	100	150	390	630	410	230	380	280		324		324	
American Sugar Refining Co.	375	385	545	345	445	110	300						
American Sugar Refining Co. preferred	145	45	45	45	45	50	50	50		50		50	
American Sumatra Tobacco Co.	25	25	25	25	25								
American Telephone & Telegraph Co.	182,019	201,879	194,637	197,605	194,494	185,367	177,659	175,273		168,858		168,858	
American Tobacco Co.	1,300	1,300	1,000	1,000	900								
American Tobacco Co. class B.	26,750	26,970	28,738	30,276	28,713	25,183	23,397	24,240		22,848		22,848	
American Tobacco Co. 6 per cent preferred					50	50	50	50		50		50	
American Type Founders Co.	10	10	10	10	10	10	10	10		10		10	
American Water Works & Electric Co. (Inc.)	2,505	3,015	2,940	3,000	4,145	6,025	6,935	6,300		6,250		6,250	
American Water Works & Electric Co. (Inc.) voting trust certificates	25	25	25	25	325	50	50	150		25		25	
American Water Works & Electric Co. (Inc.) preferred													
American Woolen Co.	44	44	44	230	257	247	274	25		258		258	
American Woolen Co. preferred	882	2,687	4,002	4,001	3,883	4,300	4,040	3,080		3,235		3,235	
American Zinc Lead & Smelting Co., preferred	100	100	100	100	100	100	100	100		100		100	
Anaconda Copper Mining Co.	41,105	38,255	31,374	33,255	31,205	37,110	43,487	35,557		36,617		36,617	
Anchor Cap Corporation	200	100	100	100	100	100	200	100		100		100	
Armour & Co. (Delaware) preferred	190	190	175	185	175	405	305	205		205		205	
Armour & Co. (Illinois) class A							100	100					
Armour & Co. (Illinois) class B	200	200	600	200	200								
Armour & Co. (Illinois) preferred	200	200	500	200	200	150	100	100		150		150	
Artloom Corporation preferred		340	50	50									
Associated Dry Goods Corporation						100	1,100	100					
Associated Oil Co.	75	75	75	75	75								
Atchison Topeka & Santa Fe Ry. Co.	14,552	14,960	15,530	21,079	19,325	15,192	11,777	10,452		10,777		10,777	
Atchison, Topeka & Santa Fe Ry. Co. preferred			50	50		20	10	10					
Atlantic Coast Line R. R. Co.	301	301	301	301	301	245	245	245		245		245	
Atlantic Refining Co.	770	670	670	680	870	120	245	245		1,120		1,120	
Atlas Powder Co.				57	57	57	57	357		357		357	
Atlas Powder Co. preferred						3							
Auburn Automobile Co.	60,255	52,105	48,061	48,358	49,978	49,770	49,895	48,493		46,691		46,691	
Austin Nichols & Co. (Inc.) prior A.	10	10	10	10	10	10	10	10		10		10	
Aviation Corporation (The) of Delaware	25	1,005	980	980	980	220	220	220		100		100	
Baldwin Locomotive Works	1,326	1,401	1,095	1,195	1,195	625	725	825		725		725	
Baldwin Locomotive Works preferred	22	7	7	7	7	10	10	10		10		10	
Baltimore & Ohio R. R. Co.	5,926	4,696	4,991	5,141	4,021	2,797	2,592	2,642		2,485		2,485	
Baltimore & Ohio R. R. Co. preferred	485	455	455	355	155	250	250	503		350		350	

Statistics in regard to short selling, New York Stock Exchange—Short positions in individual issues April 1, 4, 5, 6, 7, 8, 9, 11, and 12, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 11	Apr. 12
Bamberger (L.) & Co. preferred	5	5	5	5	5				
Bangor & Aroostook R. R. Co.								50	50
Barker Bros. Corporation						5	5	5	5
Barnsdall Corporation class A	100	120	120	120	170	30	20	120	200
Bayuk Cigar (Inc.)					5	5	5	5	5
Bayuk Cigar (Inc.) preferred					5	5	5	5	5
Beatrice Creamery Co.	385	325	325	325	325	245	325	325	2,145
Beatrice Creamery Co. preferred	20	20	70	70	70	25	25	105	140
Beech-Nut Packing Co.	100	100	100	100	100	100	100	100	125
Beiding-Heminway Co.	25					300	300	300	
Bendix Aviation Corporation	14,657	14,104	13,047	14,135	15,046	7,823	4,328	4,008	3,189
Best & Co. (Inc.)	1,955	2,455	3,105	2,920	2,295	1,375	1,050	975	1,015
Bethlehem Steel Corporation	68,598	61,953	60,181	66,309	63,407	65,654	56,069	55,516	55,631
Bethlehem Steel Corporation preferred	990	1,045	1,245	1,415	1,030	1,000	650	1,050	1,250
Blaw-Knox Co.						200	200	200	200
Bohn Aluminum & Brass Corporation	730	805	590	590	590	340	340	340	240
Bon Ami (The)	25	25	25	50	50	25	25	25	25
Borden Co. (The)	18,455	19,264	19,789	19,393	17,986	17,993	16,458	13,297	12,270
Borg-Warner Corporation	300	110	110	167	381	100	100	100	100
Boston & Maine R. R. Co.			100	100	100	100	100	100	100
Briggs Manufacturing Co.	595	795	815	565	1,165	425	545	445	1,245
Briggs & Stratton Corporation		100	100	100					
Brooklyn-Manhattan Transit Corporation	2,971	3,581	3,401	3,065	2,625	3,545	2,890	2,135	2,384
Brooklyn-Manhattan Transit Corporation, preferred A			25	25	25	25			
Brooklyn Union Gas Co.	1,055	1,055	1,055	955	975	840	640	580	915
Brown Shoe Co. (Inc.)						15	15	15	15
Brunswick Terminal & Railway Securities Co.	200								
Bucyrus-Erie Co.	100	100	100	100	100	400	300	300	200
Bucyrus-Erie Co. preferred							2	2	2
Bucyrus-Erie Co., \$2.50 convertible preferred				100				100	
Budd (Edward G.) Manufacturing Co.	40	40	40	40	40	200	200	200	
Budd Wheel Co.	700	100	100		700	100			
Bullard Co.				100	100	100	100	100	100
Bulova Watch Co. (Inc.)	200	200	200	200	200	200	200	200	200
Burroughs Adding Machine Co.	1,285	1,385	1,215	1,095	955	865	1,440	1,240	1,415
Bush Terminal Co.	350	350	350	375	325	275		675	875
Bush Terminal Buildings Co. 7 per cent preferred		1	1	1	1	1	1	1	1
Butterick Co.	1	601	601	601	601	601	601	601	1
Byers (A. M.) Co.	1,826	1,555	1,505	1,505	1,415	1,060	990	985	1,020
California Packing Corporation	500	300	200	200	200	200	200	200	400
Calumet & Hecla Consolidated Copper Co.	83	50	50	60	50	50	50	108	108
Campbell Wyant & Cannon Foundry Co.	100	100	100	100	100				
Canada Dry Ginger Ale (Inc.)	300	350	350	335	185	310	210	60	50
Canadian Pacific Ry. Co.	9,373	11,996	12,053	11,833	10,613	8,413	8,678	9,409	9,034

STOCK EXCHANGE PRACTICES

Capital Administration Co. (Ltd.), class A	205	205	205	205	205					
Case (J. I.) Co.	101, 609	86, 709	81, 126	79, 279	76, 579	55, 409	54, 218	52, 795	51, 789	
Case (J. I.) Co. preferred	5	5	5	5	5	110	100	10	10	
Caterpillar Tractor Co.	722	422	422	500	540	120	135	135	15	
Central R. R. of New Jersey	35	35	35	35	35	35	35	35	35	
Century Ribbon Mills preferred									10	
Cerro de Pasco Copper Corporation	1, 775	600	575	1, 600	1, 560	975	750	575	575	
Certain-teed Products Corporation	25									
Checker Cab Manufacturing Corporation	2, 155	2, 155	5	105	105	5	5	110	5	
Chesapeake Corporation	4, 181	2, 846	1, 981	1, 891	1, 921	1, 615	2, 355	2, 045	2, 293	
Chesapeake & Ohio Ry. Co.	8, 279	9, 412	8, 117	8, 152	7, 692	2, 970	3, 850	4, 105	4, 067	
Chicago Great Western R. R. Co.	175	175	175	175	175	200	200	200	200	
Chicago Great Western R. R. Co. preferred	377	107	7	207	157	57	57	57	7	
Chicago, Milwaukee, St. Paul & Pacific R. R. Co.	4, 950	4, 950	5, 130	5, 180	3, 330	430	430	380	380	
Chi., Milwaukee, St. Paul & Pacific R. R. Co. preferred	30	1, 730	1, 630	1, 330	130	30	30	30	30	
Chicago & Northwestern Ry. Co.	1, 350	1, 300	1, 250	1, 100	1, 225	675	975	975	975	
Chicago Pneumatic Tool Co.	240	215	215	215	215	100	100	100	100	
Chicago, Rock Island & Pacific Ry. Co.	3, 233	3, 108	3, 108	3, 108	3, 083	3, 958	3, 833	3, 908	3, 908	
Chicago Yellow Cab (Inc.)			6	6		110			110	
Childs Co.	50	50	50	50	50					
Chrysler Corporation	11, 955	12, 235	23, 070	20, 665	20, 550	16, 216	14, 511	12, 035	10, 870	
City Ice & Fuel Co.	296	296	256	256	256	256	256	231	231	
City Ice & Fuel Co. preferred			2	2						
City Stores Co.	70	470	470	470	470	420	420	420	420	
Coca-Cola Co. (The)	18, 375	23, 185	23, 257	24, 612	24, 544	23, 245	23, 851	23, 839	25, 301	
Coca-Cola Co. (The), class A	210	110	110	110	110	110	310	100	110	
Colgate-Palmolive-Peet Co.	460	360	280	230	120	243	293	70	200	
Colonial Beacon Oil Co.									100	
Colorado Fuel & Iron Co.	45	45	45	45	120	100	75	75	25	
Columbia Gas & Electric Corporation	3, 638	3, 703	3, 268	3, 952	3, 172	3, 060	3, 695	4, 959	4, 510	
Columbia Gas & Electric Corporation 6 per cent preferred	155	205	205	80			325	325	225	
Columbia Gas & Electric Corporation 5 per cent preferred	57	57	57	57	57	73	76	57	57	
Col. Pictures Corporation voting trust certificates for common stock	100	100	100	110	110	210	210	210	210	
Columbian Carbon Co. voting trust certificates	3, 210	3, 190	3, 480	3, 760	3, 620	2, 935	3, 685	3, 195	3, 835	
Commercial Credit Co.	100	150	200	200	100	100	100	100	100	
Commercial Credit Co. 6½ per cent preferred	40	40	50	40	40					
Commercial Credit Co. 6 per cent preferred	15	5	5	5	5	115	15	15	15	
Commercial Credit Co. 8 per cent preferred		5	5	5	5	5	5	5	20	
Commercial Investment Trust Corporation	1, 310	1, 435	985	985	885	250	250	250	125	
Commercial Investment Trust Corporation 6½ per cent preferred			30	30						
Commercial Investment Trust Corporation 7 per cent preferred	1	1	1	1	1	1	1			
Commercial Solvents Corporation	1, 611	1, 211	1, 097	972	854	310	940	340	640	
Commonwealth & Southern Corporation	276	5, 530	364	5, 750	1, 044	6, 394	5, 395	5, 145	5, 756	
Commonwealth & Southern Corporation preferred	125	230	225	475	375	330	455	305	180	
Congoleum-Nairn (Inc.)	25	25	25	25	25	25				
Consolidated Cigar Corporation 6½ per cent preferred	1 0	50	10	10	30	20	30	30	20	
Consolidated Cigar Corporation, 6½ per cent preferred without warrants	10	10	10	10	10				90	
Consolidated Film Industries (Inc.)	300	400	300	300	300	500	335	335	10	
Consolidated Film Industries (Inc.), preferred	200	200	300	272	22	232	232	232	232	
Consolidated Gas Co.	51, 687	48, 057	41, 995	42, 126	36, 361	31, 473	29, 547	25, 025	22, 502	
Consolidated Gas Co., preferred	315	405	505	515	430	115	100			
Consolidated Laundries Corporation	200	350	150	150	150	150	150	100	100	

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Consolidated Oil Corporation.....		35,768	35,688	35,098	35,198	16,723	26,211	28,148	23,438
Consolidated Oil Corporation, preferred.....		163	163	163	163	63	60	63	13
Consolidated Textile Corporation.....	100	100	100	100	100				
Continental Baking Corporation, class A.....	50	50	50	50	50		20	10	110
Continental Baking Corporation, class B.....	60	60	60	60	60	10	10	210	10
Continental Baking Corporation, preferred.....	95	85	195	275	275	561	551	915	1,160
Continental Can Co. (Inc.).....	6,427	7,277	8,527	8,722	9,637	10,562	10,737	9,728	8,691
Continental Insurance Co.....	550	1,150	1,140	1,340	1,240	378	176	926	690
Continental Oil Co. (Delaware).....	2,352	2,402	2,112	2,302	2,627	3,185	3,375	3,275	3,413
Continental Shares (Inc.).....	749	49	49	49	49	20	49	49	49
Corn Exchange Bank Trust Co.....		2	2	2	2				
Corn Products Refining Co.....	4,570	6,930	6,496	5,491	5,375	4,500	5,160	3,715	2,490
Corn Products Refining Co., preferred.....	8	8	6	6	6	5	5	5	5
Coty (Inc.).....					20			20	20
Crex Carpet Co.....	380	530	2,245	2,480	2,375	2,010	1,860	2,230	2,13
Crown Cork & Seal Co. (Inc.).....	575	575	575	575	575	70			
Crucible Steel Co. of America.....	148			75	275	1,028	828	823	828
Crucible Steel Co. of America, preferred.....	3						22	22	
Cuban-American Sugar Co.....		20	20			200	200		100
Cuban-American Sugar Co., preferred.....									
Cudahy Packing Co.....	421	421	421	421	421	411	351	226	1,341
Curtiss Aeroplane & Motor Co. (Inc.).....	25	25	25	25	25	25	25	25	25
Curtiss (The) Publishing Co.....	50	150	50	50					
Curtiss-Wright Corporation.....	7,106	5,876	5,866	3,941	3,941	4,289	4,175	4,980	4,180
Curtiss-Wright Corporation, class A.....	155	255	155	155	155	230	255	330	380
Curtler-Hammer (Inc.).....	460	460	460	460	460		25	25	25
Davison Chemical Co.....	260	360	350	350	350	100	100	100	100
Deere & Co., preferred.....	415	215	215	215	315	315	315	515	515
Delaware & Hudson Co.....	1,105	1,440	1,315	1,425	1,440	910	535	525	725
Delaware, Lackawanna & Western R. R. Co.....	400	300	275	275	250	572	187	272	272
Detroit Edison Co.....	400	530	530	630	645	465	640	650	594
Devoe & Reynolds (Inc.), class A.....							100	100	
Diamond Match Co.....	285	285	285	195	195	465	665	245	145
Diamond Match Co., preferred.....	25	25	25	25	25	290	280	30	130
Dome Mines Co. (Ltd.).....	106	106			1,100	500	500		
Dominion Stores (Ltd.).....	133	133	133	33	33				
Douglas Aircraft Co. (Inc.).....	150	150	150	150	150				
Dresser (S. R.) Manufacturing Co., class A.....	10	10	10	10	10		10	10	10
Drugs (Inc.).....	13,378	18,443	16,270	17,800	15,038	13,058	14,115	13,190	10,995
Duplan Silk Corporation.....			50						
du Pont de Nemours (E. I.) & Co.....	125,066	130,344	118,695	113,812	98,299	87,907	85,789	78,254	80,428
du Pont de Nemours (E. I.) & Co., debentures.....					100	100	150	300	425
Eastman Kodak Co. of New Jersey.....	33,176	32,307	30,519	29,808	27,435	24,830	21,959	20,415	19,165
Eastman Kodak Co. of New Jersey, preferred.....	50	50	50	50	50	50	50	50	50
Eaton Manufacturing Co.....	100	100	100	100	100				

STOCK EXCHANGE PRACTICES

Eitington Schild Co. (Inc.)	200	200	200	200	200				
Eitington Schild Co. (Inc.), preferred	50	50	50	50	50				
Electrical & Musical Industries (Ltd.), American shares	345	405	605	595	595	50	150	150	50
Electric (The) Auto-Lite Co.	2,970	3,177	2,587	982	622	3,347	2,597	6,117	2,282
Electric (The) Auto-Lite Co. preferred		10	10	10	10				
Electric Boat Co.	350	350	350	350	350				
Electric Power & Light Corporation	25,358	20,908	17,085	16,920	16,280	14,122	13,683	11,998	11,272
Electric Power & Light Corporation, \$7 preferred		75	125	375	285	85	60	50	50
Electric Power & Light Corporation, \$6 preferred	25	275	125	125	125	75	75	75	75
Electric Storage Battery Co.	1,034	748	704	979	879	400	10	110	210
Endicott Johnson Corporation	76	56	36	36	36				
Engineers Public Service Co., \$5 preferred	120	120	100	100	200				
Engineers Public Service Co., \$5.50 preferred without warrants		20	20	20					
Engineers Public Service Co., \$6 preferred	100	100	100	100	100	100	100	100	100
Equitable Office Building Corporation	1,070	1,170	1,270	1,370	1,170	2,730	2,930	2,930	3,030
Erie R. R. Co.	2,190	1,965	1,865	1,865	1,865	1,190	1,290	1,190	1,500
Eureka Vacuum Cleaner Co.	310	310	310	300	200				
Exchange Buffet Corporation	55	55	55	55	55	55	55	55	55
Fair (The)									100
Fairbanks Morse & Co. (Inc.)	100								
Federal Light & Traction Co. preferred	2	2	2	2	2				
Federal Motor Truck Co.	100	100	100	100	100			300	
Federal Water Service Corporation class A	234	234	309	309	309	210	210	100	100
Fidelity-Phenix Fire Insurance Co. of New York	50	50	140	440	165	190	240	340	490
Fifth Avenue Bus Securities Corporation	60	60	60	40	15	15	15	15	15
Filene's (Wm.) Sons Co. preferred	2	2	2	2	2				
Firestone Tire & Rubber Co.	25	25	25	25	25				
Firestone Tire & Rubber Co. preferred without warrants	61	61	61	36	36	36	36	36	46
First National Stores (Inc.)	2,944	4,369	4,779	5,199	5,324	5,754	7,959	7,419	7,209
Fisk Rubber Co.	110	110	110	110	110	410	410	10	10
Food Machinery Corporation	300								
Foster Wheeler Corporation	250	250	250	250	350				
Foundation Co.								100	
Fourth National Investment Corporation, without warrants	500	500	590	590	590	490	690	690	690
Fox Film Corporation class A	660	530	630	330	330	165	165	165	145
Freeport Texas Co.	1,116	969	1,108	894	1,021	286	511	581	555
Gabriel Co. (The), class A	100	100							
Gamewell Co. (The)		1	1	1	1				
General American Investors Co. (Inc.), 6 per cent preferred without warrants	50	50	50	50	50				
General American Tank Car Corporation	1,056	1,316	1,311	1,421	1,351	1,151	1,261	1,151	1,036
General Asphalt Co.	300	300	300	400	500	400	300	300	300
General Baking Co.	1,025	725	845	845	1,045	620	780	570	570
General Bronze Corporation	10	10	10	10	10	10	10	10	10
General Cable Corporation						300	300	300	300
General Cable Corporation, class A	165	165	165	165	165	165	165	165	165
General Cable Corporation, 7 per cent preferred	1	1	1	1	1				
General Cigar Co. (Inc.)	5	5	45	75	85		95	95	95
General Electric Co.	119,425	106,112	95,052	91,806	72,898	67,503	55,348	52,272	47,836
General Electric Co., special	52	52	52	52	52	62	62	62	552
General Foods Corporation	11,985	14,110	13,770	13,580	15,989	16,029	17,461	17,914	18,884
General Gas & Electric Corporation, class A	98	98	98	98	98	196	196	196	96
General Gas & Electric Corporation, \$8 preferred	5	5	5	5	105				

Statistics in regard to short selling, New York Stock Exchange—Short positions in individual issues April 1, 4, 5, 6, 7, 8, 9, 11, and 12, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 11	Apr. 12
General Gas & Electric Cororation, \$6 preferred					50				
General Mills (Inc.)	365	365	365	365	415	515	615	365	460
General Motors Corporation	263,905	270,135	267,699	262,408	241,454	238,470	231,674	202,435	177,020
General Motors Corporation, preferred	200	440	190	200	160	225	350	200	400
General Outdoor Advertising Co. (Inc.)		10	10	10	10				
General Printing Ink Corporation, \$6 preferred without warrants						1	1		
General Public Service Corporation	18	218	18	118	118	100			
General Railway Signal Co.	45	75	25	25	50	50	25	25	25
General Realty & Utilities Corporation	600	600	600	600	600	109	100	109	109
General Refractories Co.	220	220	220	220	220	20	20	20	20
Gillette Safety Razor Co.	21,157	30,731	31,692	31,075	30,390	29,270	29,108	26,183	24,813
Gillette Safety Razor Co., preferred	180	180	200	130	130	100	100	100	100
Gimbel Bros. (Inc.), preferred	490	490	490	490	490	450	400	400	400
Glidden Co. (The)	40	40	40	40	40		25		25
Glidden Co. (The), prior preferred	10	10	10	10	10	10	10	10	20
Gold Dust Corporation, voting trust certificates	1,294	2,450	2,612	1,437	920	778	233	605	690
Goodyear (B. F.) Co.	638	645	630	615	640	178	178	128	128
Goodyear Tire & Rubber Co.	13,257	8,972	6,770	6,570	5,765	4,720	4,025	4,081	3,936
Goodyear Tire & Rubber Co., first preferred	151	76	126	126	126	100	50	55	50
Gotham Silk Hosiery (Inc.)	1,085	1,085	1,085	1,385	1,385	965	890	790	890
Gotham Silk Hosiery (Inc.), 7 per cent preferred						3	3	3	
Graham-Paige Motors Corporation	1,650	1,650	1,950	2,050	2,050	2,000	2,000	2,000	2,400
Granby Consolidated M. S. & P. Co. (Ltd.)	110	110	110	110	110	60	60		
Grand (F. & W.) Silver Stores (Inc.)	750		660	660	660	300	300	500	500
Grand Union (The) Co. trust certificates	154	154	154	154	154	70	70	20	20
Grand Union (The) Co., convertible preferred	50	100				2			
Granite City Steel Co.	50		50	50	50	50	50	50	50
Grant (W. T.) Co.	1,315	1,040	1,080	805	805	620	905	845	895
Great Northern Iron Ore Properties certificates of beneficial interest	100	100	100	150	150	150	50	50	50
Great Northern Ry. Co., preferred	317	327	477	467	840	790	790	790	790
Great Western Sugar Co.	25	25					60	50	78
Great Western Sugar Co., preferred	112	142	140	140	140	90	86	56	151
Grigsby-Grunow Co.	282	429	318	218	168	440	440	563	340
Gulf States Steel Co.	28	28	28	28	28	28	28	28	28
Hahn Department Stores (Inc.)	500	500	520	500	500	500	500	500	500
Hahn Department Stores (Inc.), preferred	25								
Hall (W. F.) Printing Co.		200	200		100	142	100	100	
Hartman Corp. (The), class B		25	25	25	25	25	25	25	25
Hercules Powder Co.									6
Hercules Powder Co., preferred	3	3		1	1	10	10	10	1
Hershey Chocolate Corporation	3,500	3,285	3,350	3,575	2,635	2,340	2,910	2,445	2,560
Hershey Chocolate Corporation, convertible preferred					100	100			
Holland Furnace Co.		600	600	600	200	100	100	100	
Hollender (A.) & Son (Inc.)	40	40	40	40	40				
Homestake Mining Co.	156	156	156	156	156	131	131	131	131

Houdaille-Hershey Corporation, class B	134	105	80	80	80	70	70	70	70
Household Finance Corporation, part preferred	150	150	150	125	230	10	10	10	10
Houston Oil Co. of Texas, certificates of beneficial interest	2,105	2,100	1,900	1,900	1,770	975	900	765	815
Houston Oil Co. of Texas (new), voting trust certificates	25	100						60	60
Howe Sound Co., voting trust certificates	238	258	79	69	69	59			14
Hudson & Manhattan R. R. Co.	510	310	310	220	270	240	200	250	270
Hudson Motor Car Co.	490	1,190	1,090	590	194	345	245	145	445
Hupp Motor Car Co.	1,330	1,030	830	330	350	155	155	132	132
Illinois Central R. R. Co.	2,150	1,505	1,760	1,328	1,765	1,160	1,215	1,027	587
Illinois Central Leased Lines sinking fund, 4 per cent	40	40	40	40	40				
Industrial Rayon Corporation	765	715	590	630	730		515	615	615
Ingersoll-Rand Co.	1,302	1,477	1,242	1,232	1,232	535	450	550	450
Inspiration Consolidated Copper Co.	200	200	200	200	200				
Interboro Rapid Transit Co. voting trust certificates	1,460	1,135	1,385	1,285	1,210	1,225	1,225	1,225	1,225
Intercontinental Rubber Co.						100			
Interlake Iron Corporation	300	300	300	300	200	100	100	200	200
International Business Machines Corporation	10,981	10,297	10,162	10,666	10,506	11,751	11,531	10,974	12,344
International Cement Corporation	320	600	200	200	450	300	100	100	100
International Combustion Engineering Corporation	115	115	170	170	115	125	5	25	25
International Combustion Engineering Corporation, convertible preferred	325	300	300	300	300	300	300	300	400
International Harvester Co.	11,685	14,299	12,825	11,815	10,185	10,285	8,615	8,065	6,975
International Harvester Co., preferred	410	410	485	480	480	415	345	445	435
International Hydro-Electric System, class A	2,989	2,389	2,589	2,489	2,515	2,130	2,205	2,305	1,810
International Match Corporation participating, preferred	4,105	3,840	3,740	3,340	2,005	4,210	2,960	2,860	2,500
International Mercantile Marine Co.	670	670	70	70	70	70	70	70	70
International Nickel of Canada (Ltd.)	4,895	5,545	8,120	6,999	4,719	5,762	5,687	5,227	5,562
International Nickel of Canada (Ltd.), preferred	480	480	480	480	480	465	465	465	465
International Paper Co., preferred									20
International Paper & Power Co., class C	50	50	50	50	50	50	50	50	50
International Salt Co.				10	10	10	10	10	10
International Shoe Co.	1,320	1,320	1,520	1,750	1,770	13,780	15,105	12,615	11,740
International Silver Co.	150	150	150	100	100	100	100	100	100
International Silver Co., preferred	10	4	4	4	4	4	4	4	4
International Telephone & Telegraph Corporation	57,800	53,689	47,005	59,700	55,387	55,098	84,297	77,771	74,518
Interstate Department Stores (Inc.)	145	145	145	145	145	95	20	20	120
Jewel Tea Co. (Inc.)	725	475	475	475	475	125	275	25	25
Johns-Manville Corporation	9,376	9,716	8,931	9,366	8,911	8,000	7,145	7,215	7,340
Johns-Manville Corporation, preferred	20		2	2	2	2	2	2	2
Jones & Laughlin Steel Corporation, preferred		29	2						
Kansas City Southern Railway Co.	100	100					20	10	10
Kansas City Southern Railway Co., preferred	15	10	10	10	10	10		10	10
Kaufmann Department Stores (Inc.)	100	100	100	100	100				
Kaiser (Julius) & Co.				260	260	240	250	250	260
Kelly-Springfield Tire Co.	320	435	400	400	300	300	200	300	300
Kelly-Springfield Tire Co., 6 per cent preferred	5	5	5	5	5				
Kelly-Springfield Tire Co., 8 per cent preferred		24	24	24	24	24	60	74	74
Kelsey-Hayes Wheel Corporation	200								
Kelvinator Corporation	1,280	1,880	1,230	1,330	1,130	750	950	950	1,050
Kendall Co. (The), participating preferred A			8	8	8				
Kennecott Copper Corporation	1,340	690	910	1,072	753	650	1,650	1,400	600
Kinney (G. R.) Co. (Inc.), preferred	8								
Kresge (S. S.) Co.	3,120	3,620	2,870	3,670	2,990	5,530	5,785	5,255	4,520

Statistics in regard to short selling, New York Stock Exchange—Short positions in individual issues April 1, 4, 5, 6, 7, 8, 9, 11, and 12, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 11	Apr. 12
Kresge (S. S.) Co., preferred							42	42	32
Kress (S. H.) & Co.		35	35	85	85	85	85	55	65
Kreuger & Toll Co., amount certificates for debenture	181,420	118,771	87,889	77,489	13,874	10,191	8,250	5,825	4,925
Kroger Grocery & Baking Co.	2,143	1,943	2,543	2,543	2,553	2,748	2,298	2,513	1,688
Lambert Co. (The)	3,180	3,495	2,645	2,355	1,950	1,635	1,680	2,390	2,500
Lee Rubber & Tire Corporation						50	50		
Lehigh Portland Cement Co.		200	200	300	200	100			
Lehigh Portland Cement Co., preferred	118	30	30	20	40				50
Lehigh Valley Coal Corporation									10
Lehigh Valley Railroad Co.	45	45	30	30	30				
Lehman Corporation (The)	1,320	1,555	1,725	1,925	2,005	1,850	1,865	1,465	1,390
Lehn & Fink Products Co.	70	70	70	70	70	20		20	45
Libbey-Owens-Ford Glass Co.	300	300	200	200	200				5
Liggett & Meyers Tobacco Co.						20	20	20	194
Liggett & Meyers Tobacco Co. class B	8,241	8,666	8,411	8,561	8,061	6,988	7,911	9,088	8,518
Lima Locomotive Works (Inc.)									20
Liquid Carbonic Corporation		25	50	120	25	25	400	225	125
Loew's (Inc.)	4,460	3,937	4,802	6,217	5,962	5,132	6,037	4,262	3,882
Loew's (Inc.), preferred	50	50	50	50	50	50	50	50	50
Loft (Inc.)	1,740	840	940	1,340	1,040	415	465	465	915
Loose-Wiles Biscuit Co.				100	200	50	650	550	765
Lorillard (P.) Co.	1,989	1,995	1,550	965	915	1,555	2,130	1,630	2,091
Louisiana Oil Refining Corporation, preferred		5	5						
Louisville & Nashville R. R. Co.	397	207	257	207	207	115	115	115	215
Louisville Gas & Electric Co., class A	605	690	785	785	585	460	335	145	450
Ludlum Steel Co.									20
Ludlum Steel Co., preferred	25	25	25	25	25	25	25	25	25
Mack Trucks (Inc.)	1,943	2,118	2,338	2,313	1,703	938	908	708	1,053
Macy Co. (Inc.) (R. H.)	3,268	2,908	2,611	3,166	3,021	3,424	3,685	3,794	3,688
Magma Copper Co.						700	500	400	400
Manhattan Railway Co., 7 per cent guaranteed		1	1	51	51	51	1		150
Manhattan Railway Co., 5 per cent guaranteed	285	535	710	760	1,460	1,475	1,675	1,575	1,385
Manhattan Shirt Co.	400	400	400	400	400			400	400
Marine Midland Corporation	865	865	775	765		445	445	845	645
Marlin Rockwell Corporation	100								
Marmon Motor Car Co.	90	90	90	90	90				
Marshall Field & Co.	49	149	149	49	36		3	3	3
Mathieson Alkali Works	235	135	135	235	135	200	200	200	
Mathieson Alkali Works, preferred							2		
May Department Stores Co.	242	207	237	237	207	197	197	297	397
Maytag (The) Co.	100	100	100	100	100	100	100	100	100
McCrorry Stores Corporation	50	50	50	50	50	50	50	50	50
McCrorry Stores Corporation, preferred							9	9	
McGraw-Hill Publishing Co. (Inc.)	200	150	100	100	100				
McKeesport Tin Plate Co.	3,733	2,943	2,758	2,697	3,402	2,855	2,760	2,350	2,690

McKesson & Robbins (Inc.)	100			800	800				500
McKesson & Robbins (Inc.), preferred A	25	25	25	25	25				
McLellan Stores Co., preferred A								1	1
Melville Shoe Corporation	100	100	100	100	100				
Mesta Machine Co.						25			
Metro-Goldwyn Pictures Corporation, preferred	50	150	150	150	150	100	200	200	
Miami Copper Co.	20	20	20	20	20	20	20	20	20
Mid-Continent Petroleum Corporation						90	90	90	90
Midland Steel Products Co.	220	20	20	20	20				100
Midland Steel Products Co., first preferred	50	50	50	50	50		100	100	100
Minneapolis-Honeywell Regulator Co.	15	15	15	15	15				
Minn.-Moline Power Implement Co.	50	50	850	950	950	800			
Minneapolis, St. Paul & Sault Ste. Marie Ry., 4 per cent certificates							50	50	
Missouri-Kansas-Texas R. R. Co.	115	115	90	90	90				
Missouri-Kansas-Texas R. R. Co., preferred	110	100	100	135	135	65	105	105	105
Missouri Pacific R. R. Co.	6,630	6,855	6,705	7,105	7,205	6,965	6,765	6,760	6,760
Missouri Pacific R. R. Co., preferred	2,825	2,630	2,730	2,940	3,040	2,635	2,485	2,540	2,550
Mohawk Carpet Mills (Inc.)						200	200	200	200
Monsanto Chemical Works		100	100	100	100				
Montgomery Ward & Co. (Inc.)	4,592	4,370	4,074	3,774	4,059	3,465	3,935	3,010	2,415
Morrell (John) & Co. (Inc.)	505	505	505	405	405	75	100	100	100
Motor Products Corporation	350	200	185	185	35				40
Motor Wheel Corporation	50	50	50	50	50	66	66	66	66
Mullins Manufacturing Corporation			50	50	20	40	40	35	85
Mullins Manufacturing Corporation, preferred		5	5	5	5				
Munsingwear (Inc.)						100	100	100	100
Murray Corporation of America (The)	655	130	430	230	110	440	440	450	795
Nash Motors Co. (The)	6,605	9,675	7,060	6,135	5,745	6,035	7,200	6,260	5,535
Nashville, Chattanooga & St. Louis Ry. Co.	2	2	2	2	2	2	2	2	2
National Acme Co.									100
National Air Transport (Inc.)	30								
National Biscuit Co.	9,252	10,134	9,010	10,361	10,090	6,729	7,329	7,477	7,473
National Cash Register Co. (The), class A	1,440	1,955	2,085	2,065	1,765	1,360	1,430	1,530	1,460
National Dairy Products Corporation	11,531	11,865	11,238	11,408	10,319	7,677	7,467	5,853	6,178
National Department Stores (Inc.)	57	57	57	57	57				
National Distillers Products Corporation	233	225				50	250	250	568
National Distillers Products Corporation, preferred	9								
National Lead Co.	1,210	1,335	1,220	1,240	1,255	1,030	1,980	2,035	2,210
National Lead Co., 7 per cent class A		10		2	16	15	172	142	
National Lead Co., 6 per cent preferred class B	2		1	1			15		15
National Power & Light Co.	7,845	6,125	7,215	8,665	8,065	7,525	7,475	5,400	5,375
National Railways of Mexico, first preferred	30	30	30	30	30	30	30	30	30
National Railways of Mexico, second preferred	50	50	50	50	50	50	50	50	50
National Steel Corporation	3,585	4,055	5,670	5,945	5,515	4,275	4,405	4,005	4,140
National Surety Co.	235	235	235	135	135	125	75	75	175
National Tea Co.	100	100	5						
Nevada Consolidated Copper Co.	300	300	400	500	500	910	400	450	350
New York Central R. R. Co.	48,966	55,263	52,882	52,327	46,194	46,675	40,187	36,697	33,967
New York, Chicago & St. Louis R. R. Co.	100	100	100	100	100	118	18	118	100
New York Investors (Inc.)						100	100	100	300
New York, New Haven & Hartford R. R. (The)	7,321	5,874	5,579	5,264	5,304	4,155	4,895	3,670	3,885
New York, New Haven, & Hartford R. R. (The), preferred	30	40	40	67	67	50	40	40	40
New York, Ontario & Western Ry. Co.	190	190	190	290	290	150	150	150	150

Statistics in regard to short selling, New York Stock Exchange—Short positions in individual issues April 1, 4, 5, 6, 7, 8, 9, 11, and 12, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 11	Apr. 12
New York Shipbuilding Corporation, participating				10	10				
New York Shipbuilding Corporation, preferred			10			100	100	100	105
New York Steam Corporation, \$7 preferred	40	40	40	45	45	64	54	4	4
New York Steam Corporation \$8 preferred	20	20	20	25	20				
Noranda Mines (Ltd.)	845	755	720	620	1,110	360	410	310	215
Norfolk & Western Railway Co.	1,837	2,257	2,205	2,532	2,121	1,589	1,644	1,764	1,760
North American Aviation (Inc.)	2,240	2,140	2,240	2,040	2,040	320	320	320	320
North American Co. (The)	79,953	88,057	81,764	85,272	90,443	81,234	80,884	76,021	75,959
North American Co. (The), preferred	200	200	100	600	500	400	400	400	400
North American Edison Co., preferred				10					
Northern Pacific Ry. Co.	823	1,053	833	928	943	660	810	810	710
Ohio Oil Co. (The)	379	729	329	300	100	200			800
Oppenheim, Collins & Co. (Inc.)							33	33	
Otis Elevator Co.	784	939	684	619	599	395	295	340	340
Otis Elevator Co., preferred							2	2	2
Otis Steel Co.			25	25					
Otis Steel Co., preferred			10	10	20	20	20	20	20
Owens-Illinois Glass Co.	100	100	100	100	100	100	30	30	30
Pacific Gas & Electric Co.	4,695	5,042	6,202	6,572	5,001	4,089	4,072	3,517	4,042
Pacific Lighting Corporation	905	755	565	485	660	550	525	245	370
Pacific Telephone & Telegraph Co.	346	290	454	744	174	174	106	100	100
Pacific Telephone & Telegraph Co., preferred	20	20	20	20	20	2			
Packard Motor Car Co.	5,005	5,091	5,196	6,686	5,916	875	4,005	4,205	1,130
Pan-American Petroleum & Transportation Co., class B							100	100	
Panhandle Producing & Refining Co., preferred	4	4	4	4	4	4	4	4	4
Paramount Public Corporation	24,472	22,138	22,438	21,931	19,781	9,465	7,795	7,590	7,246
Pathe Exchange (Inc.)	75	75	75	75	75	100	100	100	100
Pathe Exchange (Inc.), class A preferred						100	100	100	100
Patino Mining & Engineering Consolidated (Inc.) American shares	1,200	1,200	1,200	1,200	1,200				
Peerless Motor Car Corporation	100	100	100	100	100				
Penick & Ford (Ltd.) (Inc.)	38	38	28	28	5			200	335
Penney (J. C.) Co.	2,315	2,840	2,640	2,900	2,430	2,585	2,635	2,185	2,860
Pennsylvania-Dixie Cement Corporation, preferred	20	20	8	8	8	8	8	8	8
Pennsylvania R. R. Co.	10,944	12,709	11,955	13,387	10,840	9,104	8,099	8,175	7,974
Peoples Drug stores (Inc.)	372	372	372	372	372	372	372	372	372
Peoples Gas Light & Coke Co. of Chicago	2,068	2,088	1,748	1,848	2,085	1,975	1,770	1,745	1,730
Pere Marquette Ry. Co., preferred	1	1	1	20	20	10			
Petroleum Corporation of America	300		10	10	10		200	200	
Phelps Dodge Corporation	172	172	147	247	247	247	185	185	247
Philadelphia and Reading Coal & Iron Corporation	500	500	500	500	500	100	500	200	100
Phillips-Jones Corporation, preferred	30	30	25	25	25	25	25	25	
Philip-Morris & Co. (Ltd.) (Inc.)	200	200	200	200	200	200	200	200	
Phillips Petroleum Co.	581	466	383	307	943	756	856	520	520
Pierce-Arrow Motor Car Co., class A			115	115	115	115	15	15	15
Pierce-Arrow Motor Car Co., preferred	230	230	228	210	210	210	210	210	210

Pierce Oil Corporation.....					10					
Pierce Petroleum Corporation.....	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Pillsbury Flour Mills (Inc.).....	25	25	125	525	225	20	100	100	200	100
Pirelli Co. of Italy, American shares.....	100	100	100	100	100	100	100	100	100	100
Pittsburgh Coal Co. (of Pennsylvania).....	156	156	156	156	156					
Pittsburgh Coal Co. (of Pennsylvania), preferred.....	70	70	70	180	70	70	70	70	70	70
Pittsburgh Steel Co., preferred.....		2	2	2	2	2	2	2	2	2
Poor & Co. class B.....	10	10	10							
Prairie Oil & Gas Co. (The).....	150	150	150	150	150	300	300	300	300	300
Prairie Pipe Line Co. (The).....	945	945	745	945	495	300	300	300	300	300
Procter & Gamble Co.....	3,821	3,471	2,846	3,651	2,976	6,025	5,186	6,351	5,871	5,871
Procter & Gamble Co., preferred.....						70	70	70	70	70
Public Service Corporation of New Jersey.....	13,771	14,629	14,524	15,009	15,090	11,699	9,974	8,389	8,456	8,456
Public Service Corporation of New Jersey, 7 per cent preferred.....		2	2	2	2					
Public Service Corporation of New Jersey, 6 per cent preferred.....		3	3	3	2					
Public Service Corporation of New Jersey, \$5 preferred.....										
Pullman (Inc.).....	3,935	3,430	3,565	3,595	3,470	3,375	3,495	3,075	3,125	3,125
Pure Oil Co. (The).....	402	392	302	302	302	302	402	402	502	502
Pure Oil Co. (The), preferred.....	20	10	10	10		19	19			
Purity Bakeries Corporation.....	2,815	2,350	2,350	2,350	2,250	600	600	600	450	450
Radio Corporation of America.....	20,879	18,224	18,064	16,284	16,277	22,485	21,918	19,975	20,235	20,235
Radio Corporation of America, 7 per cent preferred A.....	250	150	150	150	155	155	155	155	155	155
Radio Corporation of America, \$5 preferred B.....	1,086	1,086	891	991	891	316	316	316	210	210
Radio-Keith-Orpheum Corporation, new.....	6,129	6,074	6,049	6,059	6,097	5,493	5,560	5,560	5,450	5,450
Raybestos-Manhattan (Inc.).....	110	110	125	110	100	25				
Reading Co.....	2,425	2,350	2,275	2,275	2,255	2,175	2,075	2,075	2,075	2,075
Real Silk Hosiery Mills (Inc.).....	100	100	100	100	100	100	100	100	100	100
Remington-Rand (Inc.).....	25	55	235	235	225	310	260	310	335	335
Reo Motor Car Co.....	305	305	305	305	305	50				
Republic Steel Corporation.....	1,064	669	569	569	569	236	168	158	236	236
Republic Steel Corporation preferred.....	200	200	200	200	200	250	250	250	200	200
Reynolds Metals Co.....	300	300	200	200	119	244	369	369	259	259
Reynolds (R. J.) Tobacco Co.....	45	49	52	42	20	20	20	21	23	23
Reynolds (R. J.) Tobacco Co. class B.....	7,188	7,163	9,620	10,190	9,165	8,853	11,273	10,968	9,348	9,348
Richfield Oil Co. of California.....	700	600	600	600	1,000	900	500	900	700	700
Rossia Insurance Co. of America.....	500	500	500	500	500	500	500	500	500	500
Royal Dutch Co. certificates of ordinary stock, N. Y. shares.....	21,145	19,115	19,160	17,600	17,100	11,830	10,920	9,770	9,870	9,870
Safeway Stores (Inc.).....	6,437	7,352	7,667	8,042	7,930	9,056	10,101	9,640	10,129	10,129
Safeway Stores (Inc.), 7 per cent preferred.....		91	2	20	20	20		6	13	13
Safeway Stores Co (Inc.), 6 per cent preferred.....		16	31	31	31		16	16	6	6
St. Joseph Lead Co.....	100	100	100	100	100					
St. Louis-San Francisco Ry. Co.....	1,527	1,625	1,625	1,525	1,525	1,450	1,450	1,250	1,350	1,350
Savage Arms Corporation.....	300									
Schulte Retail Stores Corporation.....	70	70	70	70	70	80	70	70	70	70
Seaboard Air Line Railway Co.....	245	245	245	245	245	100	100	100	100	100
Seaboard Oil Co. of Delaware.....	915	940	740	1,240	1,340	1,025	1,125	1,025	900	900
Scars, Robbuck & Co.....	16,103	15,406	15,170	13,865	10,686	7,456	7,071	8,371	7,636	7,636
Second National Investors Corporation.....						2,250				
Servel (Inc.).....	1,020	970	620	620	620	100	200	100	100	100
Sharp & Dohme (Inc.).....	100									
Shaftuck (Frank G.) Co.....	980	1,295	895	295	145	65	35	35	35	35
Shell Union Oil Corporation.....	286	366	266	111	611	1,110	810	810	810	810
Shell Union Oil Corporation, preferred.....	10	50	50	50	50	50	50	26	50	50

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Simmons Co.....	524	399	399	399	399	775	1,175	1,125	1,125
Sinclair Consolidated Oil Corporation ¹	33,853								
Sinclair Consolidated Oil Corporation, preferred ¹	163								
Skelly Oil Co.....	300	300	325	125	125	10			
Skelly Oil Co., preferred, without warrants.....							100		100
Sloss Sheffield Steel & Iron Co.....	40	40	40	40	40	40	40	40	40
Snider Packing Corporation.....	100								
Snider Packing Corporation, preferred.....	100	100	100	100	100				
Socony-Vacuum Corporation.....	6,193	7,060	6,360	5,860	5,520	4,365	3,760	3,450	5,530
Solvay American Investment Corporation, preferred, without warrants.....	100	100	100	100	300				
South Porto Rico Sugar Co.....	300	350	350	350					
Southern California Edison Co. (Ltd.).....	4,260	4,094	3,844	4,144	3,499	2,203	2,590	3,331	3,411
Southern Dairies (Inc.), class A.....							75		
Southern Pacific Co.....	7,948	7,298	7,633	7,993	7,578	7,426	7,056	7,671	6,771
Southern Railway Co.....	630	700	700	700	600	200	400	350	450
Southern Railway Co., 5 per cent preferred.....	80	180	180	180	80				
Spalding (A. G.) & Bros.....	200	200	200	200	200				
Spalding (A. G.) & Bros., first preferred.....	20	20	20	20	20				
Sparks-Withington (The) Co.....	600	100	100	100	100				
Spencer Kellogg & Sons (Inc.).....	25	25	25	75	75				
Spicer Manufacturing Corporation.....			15	15	15		15	15	15
Spiegel May Stern Co. (Inc.).....	200	200	200	200	200				
Standard Brands (Inc.).....	11,334	10,869	8,135	7,190	5,368	5,010	3,965	4,765	4,358
Standard Brands (Inc.), preferred.....						50		50	50
Standard Commercial Tobacco Co. (Inc.).....			30	30					
Standard Gas & Electric Co.....	6,887	6,657	8,177	8,052	9,392	8,731	8,886	9,146	9,171
Standard Gas & Electric Co., \$4 preferred.....	165	215	140	240	315	415	390	315	235
Standard Gas & Electric Co., \$6 preferred.....						100	150	100	100
Standard Gas & Electric Co., \$7 preferred.....	10						10		
Standard Oil of California (Delaware).....	2,756	2,591	2,511	2,121	2,101	945	1,262	1,925	3,500
Standard Oil Co. of New Jersey.....	46,472	46,997	47,754	47,475	44,726	43,977	58,474	54,130	72,806
Starrett (The L. S.) Co.....	50	50	50	50	50				
Sterling Securities Corporation, class A.....	200								
Sterling Securities Corporation, \$1.20 preferred.....	10	10	10	10	10				
Sterling Securities Corporation, \$3 first preferred.....									200
Stewart-Warner Corporation.....	45	255				325	400	250	150
Stone & Webster (Inc.).....	723	1,723	1,698	1,698	2,048	1,560	1,830	790	1,305
Studebaker Corporation.....	870	1,225	1,295	1,295	1,195	1,255	1,411	1,310	1,110
Studebaker Corporation preferred.....	120	236	186	151	121	56	56	56	46
Sun Oil Co.....	240	365	365	345	245	270	276	276	276
Sun Oil Co. preferred.....							2	2	
Superheater Co. (The).....	90	90	90	90	90	90	90	90	90

¹ Stricken from the list Apr. 1, 1932.

Superior Oil Corporation.....	150	150	150	150	150				
Superior Steel Corporation.....	10	10	10	10	10	10	10	10	10
Symington Co., class A.....							100	100	100
Telaugraph Corporation.....	100		10	10	10	10	10	10	10
Tennessee Corporation.....	450	450	450	450	450	450	450	450	450
Texas (The), Corporation.....	4,518	5,041	4,301	4,612	3,651	3,722	2,462	2,407	2,547
Texas Gulf Sulphur Co.....	1,483	2,358	2,343	2,363	2,488	2,793	2,698	2,273	1,938
Texas Pacific Coal & Oil Co.....	200	200	200	200	200				
Texas Pacific Land Trust certificates subscription shares.....				60	50	150	130	150	250
Thatcher Manufacturing Co.....	100	100	100	200	200	100	100	100	100
Third Avenue Railway Co.....	100	100	100	100	100	100	100	100	100
Third National Investors Corporation.....			10	10			200	100	
Thompson (John R.) Co.....	100								
Thompson Products (Inc.).....	216	216	216	216	216	50	50	50	50
Tide Water Associated Oil Co.....	10	10	10	510	510	1,000	600	100	500
Tide Water Associated Oil Co., preferred.....	390	350	350	350	350	450	250	250	250
Tide Water Oil Co.....	100	100	100	100	100				
Timken-Detroit Axle Co., (The).....	20			10					
Timken-Roller Bearing Co., (The).....	6,630	7,835	7,365	7,315	6,855	2,980	2,705	2,485	3,395
Transamerica Corporation.....	10,125	10,125	10,425	10,525	9,795	6,875	7,075	6,500	4,450
Tri-Continental Corporation.....	500	400	400	1,500	1,500	1,100	1,000	600	600
Tri-Continental Corporation, preferred.....	125	170	170	320	295	275	450	475	470
Trico Products Corporation.....	100	245	715	715	715	715	1,865	1,745	2,675
Underwood Elliott Fisher Co.....	850	650	650	550	425	425	450	350	325
Union Bag & Paper Corporation.....					200	200	200	200	200
Union Carbide & Carbon Corporation.....	34,528	37,332	35,124	33,298	31,182	25,106	20,051	19,952	21,645
Union Oil Co. of California.....	1,704	1,704	1,634	1,634	1,204	500	500	500	700
Union Pacific R. R. Co.....	14,195	14,923	12,826	13,660	12,671	12,202	11,722	11,294	11,875
Union Pacific R. R. Co., preferred.....						2			
Union Tank Car Co.....					100	100			
United Aircraft & Transport Corporation.....	5,836	4,627	4,304	5,231	4,876	6,661	7,725	6,277	5,453
United Aircraft & Transport Corporation, preferred, without warrants.....	225	425	232	225	225	125	175	225	285
United Biscuit Co. of America.....	60	60	160	100	100	100	100	100	100
United Carbon Co.....	472	430	410	410	610	635	460	410	460
United Corporation.....	32,148	29,879	26,288	24,154	26,455	14,156	13,371	11,916	10,931
United Corporation, preferred.....	1,182	1,142	1,167	1,158	1,285	954	504	573	463
United Dyewood Corporation, preferred.....						4	4	4	4
United Electric Coal Companies.....	100	150	100	100	200	100	150	50	
United Fruit Co.....	1,859	1,464	1,294	1,561	1,601	1,732	4,266	4,056	3,895
United Gas & Improvement Co.....	17,629	15,305	22,115	25,094	18,709	16,788	19,803	15,777	15,678
United Gas & Improvement Co., preferred.....	10	110	110	110	210	271	364	214	464
United States & Foreign Securities Corporation.....	100	100	100	100	100				
United States & Foreign Securities Corporation, preferred.....							20		
United States Gypsum Co.....	315	290	290	190	375	375	375	475	625
United States Gypsum Co., preferred.....			10				20	10	
United States Industrial Alcohol Co.....	2,266	2,301	1,825	1,970	2,115	1,530	1,050	1,100	1,305
United States Leather Co., voting trust certificates.....	50	150	150	150	150	150	150	150	150
United States Leather Co., preferred voting trust certificates.....	100	100	100	100	100	100	200	200	100
United States Leather Co., class A voting trust certificates.....	10	10	10	10	10	10	10	10	10
United States Pipe & Foundry Co.....		310	320	670	490	330	355	155	185
United States Realty & Improvement Co.....	400	500	900	2,975	3,275	2,975	2,375	1,975	1,775
United States Rubber Co.....	1,292	1,452	1,432	1,472	1,672	887	412	125	242
United States Rubber Co., preferred.....	163	763	163	263	263	113	113	260	113

Statistics in regard to short selling, New York Stock Exchange—Short positions in individual issues April 1, 4, 5, 6, 7, 8, 9, 11, and 12, 1932—Continued

	Apr. 1	Apr. 4	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 11	Apr. 12
United States Smelting, Refining & Mining Co.-----	540	450	750	450	450	560	310	290	500
United States Smelting, Refining & Mining Co., preferred-----			100				20	20	70
United States Steel Corporation-----	386,422	363,436	364,260	361,698	356,454	337,798	324,977	317,944	310,710
United States Steel Corporation, preferred-----	13,805	12,165	12,122	13,352	11,777	12,232	11,922	11,862	14,147
United States Tobacco Co.-----									100
United Stores Corporation, class A-----	14	14	14	39	39	25	40	56	
United Stores Corporation, \$6 preferred-----	352	427	677	1,047	742	614	649	634	701
Universal Leaf Tobacco Co. (Inc.)-----			90	90	90	90	90	90	90
Universal Pictures Co. (Inc.), preferred-----	40	40	40	45	45	30	30	30	30
Utilities Power & Light Corporation, class A-----	4,420	3,670	3,785	3,810	3,658	3,994	3,444	3,338	3,438
Vanadium Corporation of America-----	3,660	3,650	3,512	4,822	5,915	6,150	6,850	7,032	7,377
Virginia-Carolina Chemical Corporation, 7 per cent preferred-----	45	45	45	45	45				
Virginia-Carolina Chemical Corporation, 6 per cent preferred-----		200							
Virginia Electric & Power, preferred-----	14	5		25	25	25	25	25	25
Vulcan Detinning Co.-----	70	70	70	70	90	50	20	20	25
Wabash Railway Co.-----	225	225	225	300	200				
Waldorf System (Inc.)-----	735	710	635	635	589	609	1,029	1,005	970
Walgreen Co., preferred-----									8
Ward Baking Corporation, class B-----	100	100	100	100	100				
Warner Bros. Pictures (Inc.)-----	2,280	2,880	2,405	2,405	2,229	1,755	494	794	544
Warner Bros. Pictures (Inc.), preferred-----	50	50	50	50	50	50	50	50	50
Warner-Quinlan Co.-----						400			
Warren Bros. Co.-----	100	100	100	474	343	103	103	3	21
Warren Foundry & Pipe Corporation-----									75
Wesson Oil & Snowdrift Co. (Inc.)-----	650	710	660	1,260	1,160	1,110	10	10	25
Wesson Oil & Snowdrift Co. (Inc.), preferred-----									10
West Penn Electric Co., 6 per cent preferred-----	9	34	9	9	6	6	21		25
West Penn Electric Co., 7 per cent preferred-----		8					4		
West Penn Power Co., 7 per cent preferred-----		8	6	6	16				
West Penn Power Co., 6 per cent preferred-----		8	7	7	17	7	1	17	2
Western Maryland Railway Co.-----	825	625	625	625	694	440	315	140	440
Western Pacific Railroad Corporation, preferred-----	2	2	12	12	12	12	12	12	2
Western Union Telegraph Co.-----	32,346	30,623	29,563	29,766	29,651	29,987	27,462	28,812	27,597
Westinghouse Air Brake (The) Co.-----	1,652	1,621	1,621	1,621	1,021	1,21	242	521	446
Westinghouse Electric & Mfg. Co.-----	139,800	126,880	124,665	125,107	123,769	115,744	113,889	106,451	110,120
Westinghouse Electric & Mfg. Co., preferred-----			10	10	11	1	25	10	20
Westvaco Chlorine Products Co.-----	100	100	100	100	100				
Wheeling & Lake Erie Railway Co.-----	5	5	5	5	5		5	5	5
Wheeling Steel Corporation, preferred-----	50	50	50	50	50	50	50	50	50
White Motor Co. (The)-----	200	100	100	100	200	140	440	390	540
Wilcox (H. F.) Oil & Gas Co.-----	500	500	500	400	300	200	200	200	100
Willys-Overland Co. (The)-----	298	298	298	298	298	500	500	530	500
Willys-Overland Co. (The), preferred-----	100	100	100	100	100				
Wilson & Co. (Inc.)-----	100	100	100	100	100				
Wilson & Co. (Inc.), preferred-----	100	100	100	100	100	100	200	200	100

Woolworth (F. W.) Co.....	51,853	56,703	54,963	51,863	49,334	44,349	42,654	42,044	40,134
Worthington Pump & Machinery Corporation.....	1,600	890	1,010	1,010	1,005	1,247	1,155	1,022	977
Worthington Pump & Machinery Corporation, preferred B.....			50	50	50	50	50	50	
Wrigley (Wm.), jr., Co. (Delaware).....	550	740	1,770	2,050	1,750	494	2,780	2,745	2,400
Yellow Truck & Coach Manufacturing Co., class B.....	144	144	144	174	144	134	34	134	44
Yellow Truck & Coach Manufacturing Co., preferred.....			10	10	10				
Young (L. A.) Spring & Wire Corporation.....	100	100	100	100	100	100	100	100	100
Youngstown Sheet & Tube Co., Unstp.....	125	125	125	125	125	125	125	225	175
Zenith Radio Corporation.....				35	35		45		
Zonite Products Corporation.....						45		115	45
Number of shares of total short interest.....	3,279,398	3,189,596	3,059,658	3,063,927	2,849,895	2,626,399	2,605,821	2,469,087	2,405,319
Net change, plus or minus.....	-19,870	-89,802	-129,938	+4,269	-214,032	-223,496	-20,568	-136,744	-63,768
Total number of stocks in which a short interest was reported.....	590	592	602	608	608	538	548	543	534
Total shares traded in on New York Stock Exchange.....	1,500,000	{ 1,000,000 1,600,000 }	1,500,000	2,100,000	1,800,000	2,100,000	1,100,000	1,700,000	1,500,000
Number of shares sold short and covered the same day.....	105,900	{ 59,300 107,900 }	89,300	126,000	101,800	116,600	66,700	90,400	103,000
Per cent of short sales covered the same day to total transactions....	7.06	{ 5.93 6.74 }	5.95	6.00	5.66	5.55	6.06	5.32	6.87

EXHIBIT No. 28, APRIL 21, 1932

(See p. 286, this hearing)

REQUIREMENTS COVERING FIXED INVESTMENT TRUSTS
 COMMITTEE ON STOCK LIST, NEW YORK STOCK EXCHANGE
 REQUIREMENTS FOR LISTING APPLICATIONS

AUGUST 1, 1931.

The committee will meet Mondays at 3.15 p. m.

An application, conforming to these requirements, signed by an executive officer of the applying corporation, voting trustees, or depository committees, and 14 printed or typewritten copies must be filed with the committee on stock list at least six days prior to the date set for consideration. Four preliminary drafts of such application must be filed at least 12 days prior to date set for consideration.

Applications must be accompanied by the required papers and agreements, and by check to be drawn to the order of the "Treasurer, New York Stock Exchange." The method of computing fees is given in Appendix A. In addition, companies making application are required to pay cost of printing. Printers' bills will be submitted directly to the applicant.

An application for listing governmental, State, county, or municipal securities must be signed by a properly accredited official or by financial representatives, and be accompanied by required check, as above, and papers.

Specimen application furnished on request.

The employees of the committee on stock list are instructed to assist in the preparation of applications to list whenever so requested. No charge will be made for such service.

REQUIREMENTS FOR ORIGINAL LISTING

Stock

Every application for an original listing of capital stock shall recite:

- (A) Where incorporated.
 (B) (1) Amount applied for (whether temporary or permanent certificates); (2) authorized issue.
 (C) (1) Date of charter; (2) duration.
 (D) (1) Business; (2) special rights or privileges under charter or by-laws.
 (E) (1) Whether capital stock is full paid; (2) nonassessable; and (3) whether liability attaches to shareholders.
 (F) (1) Issues (by classes), dividend rate and par value; (2) total amount of each, authorized and issued; (3) increases and authority therefor, including (a) action by stockholders, (b) by directors, and (c) by public authorities, etc.; (4) amount unissued, (a) options or contracts on same, (b) specific reservation for conversion.
 (G) If preferred stock; (1) whether cumulative or noncumulative; (2) preferences, including (a) voting power; (b) dividends; (c) distribution of assets on dissolution or merger; (d) redemption; (e) convertibility; (f) special provisions.
 (H) Voting power of obligations of debt.
 (I) (1) Purpose of issue; (2) application of proceeds; (3) amount issued for securities, contracts, property; description and disposition; (4) additional property to be acquired, with particulars, as required by paragraph (N).
 (J) (1) History of corporation; (2) of predecessor companies or firms, with location and stock issues by classes; (b) conditions leading to new organization.
 (K) Tabulated list of constituent, subsidiary, owned, or controlled companies showing (a) date of organization; (b) where incorporated; (c) duration of charter; (d) business, and (e) capital stock issues (by classes), par value, amount authorized, issued, owned by parent company.
 (L) (1) Mortgage, and (2) other indebtedness showing (a) date, (b) maturity, (c) interest rate, (d) convertibility, (e) redemption by sinking fund or otherwise, (f) amount authorized, and (g) amount issued; (3) similar information regarding mortgage and other indebtedness of constituent, subsidiary, owned, or controlled companies.

(M) Other liabilities, joint and several, (1) guaranties, (2) leases, (3) traffic agreements, (4) trackage agreements, (5) rentals, (6) car trusts, etc., (7) terms of each and provision for payment, (2) similar description of other agreements or easements, (9) similar information as to constituent, subsidiary, owned, or controlled companies.

(N) (1) Description, location, nature and acreage of property, (a) owned in fee; (b) controlled; (c) leased; (2) railroads, mileage completed, operated and contemplated; (3) equipment; (4) character of buildings and construction; (5) tabulated list of franchises showing (a) where granted, (b) date, (c) duration, (d) purpose; (6) timber, fuel or mining lands, water rights; (7) similar information as to constituent, subsidiary, owned or controlled companies.

(O) Policy as to depreciation.

(P) (1) Character and amount of annual output for preceding five years; (2) estimated output (character and amount) for current year; (3) number of employees.

(Q) (1) Dividends paid or declared; (2) by predecessor, and constituent, subsidiary, owned or controlled companies.

(R) Financial statements; (1) earnings for preceding five years, if available with interest charges, depreciation and Federal taxes; (2) income and surplus account of recent date for at least two years, if available; (3) balance sheets of same dates; (4) balance sheet giving effect to recent financing, if any; (5) similar accountings for predecessor, constituent, subsidiary, owned or controlled companies; (6) corporation consolidated within one year previous to date of application, income and surplus account and balance sheet of all companies merged and balance sheet of applying corporation; (7) if in hands of receiver within one year previous to date of application, (a) income account and balance sheet of receiver at time of discharge if available, (b) balance sheet at close of receivership if available, and (c) balance sheet at date of reorganization.

(S) Agreements contained on pages 5 and 6.

(T) Fiscal year.

(U) Place and date of annual meeting.

(V) Location of principal and other offices.

(W) Names of (1) directors, classified, with addresses; (2) officers; (3) transfer agents, with addresses, (4) registrars, with addresses.

In addition to the above, applications from corporations which own or operate mines must recite:

(A) Patented and unpatented claims, by numbers.

(B) (1) Geological description of country; (2) location and description of mineral and other lands; (3) ore bodies; (4) acreage value of ore; (5) character and analysis; and (6) methods of treatment.

(C) History of workings, (1) results obtained; (2) production each year.

(D) (1) Ore reserves compared with previous years showing separately as to character and metal content; (2) estimate of engineer as to probable life of mines; (3) probabilities by further exploration.

(E) (1) Provisions for smelting and concentration; (2) proximity of property to railway or other common carrier.

(F) Properties in process of development; income account if available; guarantees for working capital and for completion of development in event income account not available.

(G) Total expenditures for preceding five years for acquisition of new property, development, proportion charged to operations each year.

(H) (1) Policy as to depletion; (2) acquisition of new property; (3) new construction and development.

(I) Production by tons, number of tons of ore treated, average assay yield, percentage of extraction, recovery per ton of ore, for preceding five years, if available.

In addition to the above, applications from corporations which own or operate oil and gas wells must recite:

(A) (1) Brief history of oil field; (2) geological description of country; (3) character and gravity of oil.

(B) (1) Total area of oil land (developed and undeveloped), (a) owned, (b) leased, (c) controlled, (d) proven, (e) under exploitation, (f) royalties.

(C) (1) Number of wells (oil or gas) on each property, (a) in operation, (b) drilling, (c) contemplated, (2) average depth of wells drilled, (a) shallowest, (b) deepest, (c) probable life; (3) whether oil sands are dipping.

(D) (1) Gross daily production—initial and present; (2) annual gross production from each property for preceding five years, if available; (3) estimated gross production for current year.

(E) (1) Storage, capacity, and location; (2) (a) amount of oil stored, (b) character, (c) value, (3) pipe line, (a) gauge, (b) capacity, (c) mileage.

(F) (1) Refineries, (a) capacity, (b) acreage, (c) employees, (d) products and by-products.

(G) Properties in process of development; income account if available; guaranties for working capital, and for completion of development in event income account not available.

(H) Total expenditures for preceding five years for acquisition of new property, well drilling, and development, proportion charged to operations each year.

(I) (1) Policy as to depletion; (2) acquisition; and (3) development of new properties.

(NOTE.—For requirements as to voting trust or stock trust certificates, or certificates of deposit, see p. 4.)

Bonds

An application for an original listing of bonds shall recite all information required for listing stock, and

(A) (1) Full title; (2) amount applied for (whether temporary or permanent), denominations, and numbers; (3) amount authorized and outstanding authority therefor, including (a) action by stockholders, (b) directors, and (c) public authorities, etc.; (4) whether bonds are coupon (registerable as to principal) or registered, interchangeable or exchangeable; (5) exchangeability or convertibility into other securities, and terms.

(B) Names and addresses of trustees.

(C) (1) Date of issue and maturity; (2) interest rate; (3) places at and dates for payment of interest and principal; (4) where registerable or transferable; (5) kind and standard of money, and options; (6) tax exemptions; (7) whether redeemable or purchasable in whole or part by sinking fund or otherwise, showing (a) dates, (b) price, (c) duration and place of published notice; (8) specified reservation of stock for conversion.

(D) Provisions for declaration of principal due and payable in event of default of payment or interest, or other defaults, and waiver; percentage of outstanding bonds controlling trustee.

The committee will object to any provision in an indenture whereby the consent of more than 30 per cent of the outstanding bonds is necessary to initiate any action by the trustees which may appear necessary for the protection of bondholders, subject, however, to the limitation that there is no objection to a provision by which the action of a majority in amount of such bonds will rescind any minority action.

(E) Purpose of issue and application of proceeds, similar to that called for by paragraph (I) of the requirements for listing stock; provisions as to additional issue.

(F) Disposition of bonds refunded, redeemed, or purchased for sinking fund, and mortgage securing same.

(G) Mortgage or indenture provisions for (1) serial issues; (2) values in United States gold coin; (3) issuance in foreign languages and (4) that the English version governs; (5) terms of exchangeability of bonds payable in foreign places for bonds payable in United States or vice versa.

(H) (1) Security—mortgage, indenture of trust, or other agreement; and (2) liens, (a) properties covered, (b) mileage of railway lines, (c) buildings, (d) equipment, (e) securities, (f) rights, (g) privileges, (h) titles, (i) franchises, (j) leases, etc.; (3) other liens covering same or any part of same properties; (4) guaranty and terms.

(I) Any unusual provisions or covenants contained in mortgage, or deed of trust.

REQUIREMENTS FOR LISTING OF ADDITIONAL AMOUNTS

Refer to previous applications and last application by number and date, and recite:

(A) Where incorporated.

(B) (1) Amount applied for; (2) amounts authorized and outstanding; (3) authority for issue, including (a) action, by stockholders, (b) by directors, and (c) by public authorities, etc.; (4) total amount applied for.

(C) (1) Purposes of issue; (2) application of proceeds; (3) amount, description, and disposition of securities exchanged for new issues; (4) additional property acquired or to be acquired, with particulars as required by paragraph (N) on page —.

(D) Dividends paid and declared since previous application.

(E) Changes, if any, in (1) charter; (2) by-laws; or (3) capitalization since previous application.

(F) Changes in property, if any, since previous application.

(G) (1) Character and amount of output since previous application or earnings as in application for original listing; (2) estimated output (character and amount) for current year; (3) number of employees.

(H) Income account, surplus account, and balance sheet of recent date, also for constituent, subsidiary, owned or controlled companies, or a consolidated income account, consolidated surplus account and a consolidated balance sheet.

(I) Policy as to depreciation and depletion.

(J) Fiscal year, place, and date of annual meeting, location of offices, and names of officials as covered by paragraphs (T), (U), (V), and (W) on page —.

(NOTE.—In cases where it is desired to list additional stock to an amount in excess of the total number of shares authorized by charter or certificate of incorporation, as reported in the most recent application on file, such additional stock may not be added to the list until at least 30 days after the receipt of notice of the actual or proposed increase in authorization.)

REQUIREMENTS FOR LISTING OF CERTIFICATES OF DEPOSIT, VOTING TRUST, OF STOCK TRUST CERTIFICATE, ETC.

Every application for the listing of certificates of deposit, voting trust, or stock trust certificates, etc., shall recite:

(A) (1) Name of applicant; (2) amount applied for (whether temporary or permanent certificates); (3) depository; (4) security deposited, and whether listed; (5) registrar.

(B) (1) Date of agreement; (2) names of committee, or voting trustees; (3) affiliations of committee or trustees; (4) terms of trust; (5) powers and duties of committee, trustee, or depository.

(C) Reasons for deposit.

(D) (1) Duration of trust or deposit; (2) extensions or limitations; (3) final date of deposits; (4) provision for deposits without penalty for approximately 30 days after listing, or if no time limit for deposit of securities without penalty is fixed, an agreement that approximately 30 days' notice of such limitation of time shall be published and given to the stock exchange; (5) date of presentation of plan; (6) provisions for dissent and withdrawal; (7) percentage necessary to adoption; (8) pro rata, charges; (9) provisions for return of securities (or equivalent); (10) provision for payment of interest, dividends, etc.

(E) Applications to list voting trust or stock trust certificates to recite financial statements of company as in paragraph (R) on page —.

(F) Agreement to deliver definitive securities at termination of voting trust or voting trust to be extended.

(G) Agreement to have definitive securities listed.

(H) Agreement by voting trustees to have company publish its financial statements.

(I) Agreements contained on pages 5 and 6.

(NOTE.—Applications to list voting trust or stock trust certificates and certificates of deposit for securities not a delivery on the stock exchange, must, in addition, comply with the requirements.)

PAPERS TO BE FILED WITH APPLICATIONS

In addition to application for listing, the following papers must be filed.

For stocks:

1. Three copies of charter, with amendments to date, one copy attested by proper public authority.

2. Three copies of by-laws, with amendments to date, one copy attested by an executive officer of corporation.

3. Three copies of leases, franchises, easements, and special agreements, one copy of each attested by an executive officer of corporation.

4. One copy of resolutions of stockholders and directors and copy of proper public authority authorizing issue, each attested by an executive officer of corporation.

5. One copy of resolutions of stockholders or directors and copy of proper public authority authorizing issue of stock on conversion or other securities, attested by an executive officer of corporation.

6. One copy of resolutions of stockholders or directors directing specific reservation of authorized stock for conversion, attested by an executive officer of corporation.

7. One copy of resolutions of stockholders, board of directors, or executive committee attested by an executive officer of corporation, authorizing, by name, official to appear for listing securities (form may be had on application).

8. Opinion of counsel (not an officer or director of the corporation) as to legality of (a) organization, (b) authorization, (c) issue, and (d) validity of securities. The committee will not accept the opinion of an officer or director of an applying corporation nor of a firm in which the officer or director is a member as counsel on any legal question affecting the corporation; nor will it accept the opinion of an officer or director of a guarantor corporation nor of a firm in which the officer or director is a member on any legal question affecting the issuance of guaranteed securities.

9. Eight copies of detailed distribution of securities, one certified (form may be had on application).

10. One copy of resolution appointing transfer agent and registrar, attested by an executive officer of corporation.

11. Certificate of registrar of amount of securities registered at date of application.

12. Report of qualified engineer covering actual physical condition of property at recent date.

13. Map of property and contemplated extensions.

14. Specimens of all securities to be listed.

15. Questionnaire (form may be had on application).

16. Certified copy of income accounts, surplus accounts, and balance sheets contained in application.

17. Agreements.

18. Certified copy of printed circular issued by bankers describing security, if available.

19. In the listing of an original application a letter containing the following information:

(A) Volume of trading (total number of shares traded for at least a 2-week period);

(B) State where stock is traded (give name or names of exchanges, or, if not listed, state so);

(C) State price (bid and offer—also high and low for year); and

(D) Name bankers (if none, state so).

For bonds:

20. All papers required for listing stocks and also four copies of the mortgage, indenture, and/or agreement. One copy of the mortgage or indenture (a) certified to by trustee, (b) with copies of all certificates of proper recording, and (c) one copy of agreement certified by any party thereto.

21. Trustees' certificate required on page 7.

22. One copy of resolutions of stockholders or directors, and copy of proper public authority, authorizing issue of stock on conversion of bonds, attested by an executive officer of corporation.

23. One copy of resolution of stockholders or directors directing specific reservation of authorized stock for conversion, attested by an executive officer of corporation.

24. Certificate of disposition of securities redeemed or refunded.

25. Certificate as to collateral deposited.

26. Certified copy of release or satisfaction of underlying mortgages.

For securities of reorganized corporations.

1. All papers required for listing stocks and bonds. Opinion of counsel shall state that proceedings have been in conformity with legal requirements; that title to property is vested in new corporation and is free and clear from all liens and incumbrances except as distinctly specified; and also as to equities of securities of predecessor corporation.

2. Certified order of court confirming sale on foreclosure or other authority for reorganization.
 3. Certified copy of plan of reorganization.
 4. Certified income and surplus account and balance sheet at close of receivership, if available.
 5. Certified balance sheet at date of reorganization.
- For additional amounts:
1. Nos. 4, 5, 6, 7, 8, 9, 11, 15, 16, 17, 18 of papers required for original listings.
 2. Nos. 1, 2, 3, 10, 12, 14 of said papers for stock, if any changes have occurred therein since previous application.
 3. Nos. 1, 2, 3, 12, 14, 20, 21, 22, 23, 24, 25 of said papers for bonds, if any changes have occurred therein since previous application.
 4. Certified copy of proper public authority for increase.
- For certificates of deposit, voting trust, etc.:
1. Papers required for listing stocks and bonds.
 2. Certified copies of any legal proceedings and court orders.
 3. Three copies of deposit or trust agreement, one certified to by proper authority.
 4. Three copies of circulars, issued by trustees or committee, one certified to by proper authority.
 5. Certificates of amounts deposited.

AGREEMENTS

To be made part of applications where applicable:

1. To notify the New York Stock Exchange promptly of any change in the general character or nature of its business.
2. To notify the New York Stock Exchange immediately if it or any subsidiary or controlled company should dispose of any property or of any stock interest in any of its subsidiary or controlled companies, when such disposal would impair or materially affect its financial position or the nature or extent of its operations as theretofore conducted.
3. To publish periodical statements of earnings, as agreed upon with the committee.
4. To publish at least once in each year and submit to stockholders at least 15 days in advance of the annual meeting of the corporation a balance sheet and income statement for the last fiscal year, and a surplus statement of the applicant company as a separate corporate entity and of each corporation in which it holds, directly or indirectly, a majority of the equity stock, or in lieu thereof eliminating all intercompany transactions.

A similar set of consolidated financial statements. If any such consolidated statements exclude any companies a majority of whose equity stock is owned, (a) the caption will indicate the degree of consolidation; (b) the income account will reflect, either in a footnote or otherwise, the parent company's proportion of the sum of or difference between current earnings or losses and the dividends of such unconsolidated subsidiaries for the period of report; and (c) the balance sheet will reflect, in a footnote or otherwise, the extent to which the equity of the parent company in such subsidiaries has been increased or diminished since the date of acquisition as a result of profits, losses, and distributions. Appropriate reserves, in accordance with good accounting practice, will be made against profits arising out of all transactions with unconsolidated subsidiaries in either parent company statements or consolidated statements.

Such statements will reflect the existence of any default in interest, cumulative dividend requirements, sinking fund or redemption fund requirements of any controlled corporation, whether consolidated or unconsolidated.

5. To publish all future annual financial statements of any character in the form contained in the listing application and, in the publication of reports of earnings for any period of less than a fiscal year, to show net profits in the aggregate and per share of each class after depreciation, depletion, income taxes, and interest, estimating the proportionate amount of these items as accurately as may be if not finally determined at date of publication.

6. Not itself, and not to permit any subsidiary, directly or indirectly controlled, to take up as income stock dividends received at an amount greater than that charged against earnings, earned surplus, or both of them, by the issuing company in relation thereto.

7. Not to make any change in depreciation policies as described in the application and not to make any substantial change in any percentages therein recited as applicable to particular classes of property without notifying the stock exchange and without calling attention to such changes in the next succeeding published report, and, if this be an interim report, also in the next succeeding annual report.

8. To maintain in accordance with the rules of the stock exchange, a transfer office or agency in the Borough of Manhattan, city of New York, where all listed securities shall be directly transferable, and the principal of all listed securities with interest or dividends thereon shall be payable; also a registry office in the Borough of Manhattan, city of New York, south of Chambers Street, other than its transfer office or agency in said city, where all listed securities shall be registered. If its transfer books should be permanently closed, to continue to split up certificates of listed stock into smaller denominations in the same name so long as such stock shall be retained upon its list by the New York Stock Exchange. If its transfer office or agency should be or should become located north of Chambers Street, to arrange, at its own cost and expense that its registry office will receive and redeliver all securities deposited at such registry office for the purpose of transfer.

9. Not to add to the number of its transfer agencies nor to make any change of a transfer agency, or of a trustee of its listed bonds or securities, without prior notice to the committee on stock list, and not to add to the number of registrars of its listed stock nor to change a registrar of its listed stock without the prior approval of the committee on stock list, nor to select an officer or director of the company as a trustee of its mortgages or other listed securities unless such officer or director be a cotrustee for an issue having a corporate trustee.

10. Not to make any change in the form or nature of its listed securities or in the rights or privileges of the holders thereof, without having given 20 days' prior notice to the committee on stock list of such proposed changes, and having made application for the listing of the securities as changed, if the committee on stock list so requires.

11. To notify the stock exchange in the event of the issuance or creation in any form or manner of any rights to subscribe to, or to be allotted, its securities, or of any other rights or benefits pertaining to ownership in its securities, and to afford the holders of its listed securities a proper period within which to record their interests and to exercise their rights, and to issue all such rights in form approved by the stock exchange and to make the same transferable, payable, and deliverable in the Borough of Manhattan, city of New York.

12. To notify the stock exchange promptly in the event of issuance of options or warrants to purchase stock, otherwise than (a) pro rata to stockholders, (b) to officers and employees under general employees' stock-purchase plan, (c) firm offers of stock to be taken in a block within four months from the date of such offer, of the number of shares covered by such options, of their terms and of the time within which they may be exercised and of any subsequent changes therein and thereafter to include this information together with like information as to any options in existence at the time of approval of this application so long as said options are outstanding, in all annual financial reports furnished to stockholders and in all formal published reports.

13. To make application to the stock exchange for the listing of additional amounts of listed securities sufficiently prior to the issuance thereof to permit action in due course upon such application.

14. To publish promptly to holders of listed stock any action in respect to dividends on shares, or allotments of rights for subscription to securities, notice thereof to be sent to the stock exchange, and to give to the stock exchange at least 10 days' notice in advance of the closing of the transfer books, or extensions, or of the taking of a record of holders for any purpose.

15. To forward to the stock exchange copies of all notices mailed to stockholders looking toward charter amendments, and to file with the stock exchange two copies of amended charter or resolutions of directors in the nature of amendments (one of which must be certified) as soon as such amendments or resolutions have become effective.

16. Not to purchase listed preferred stock for retirement at a price in excess of that at which the stock purchased might then be obtained in the open market and not to select preferred stock for redemption otherwise than pro rata or by

lot; to notify the stock exchange immediately and at least 15 days in advance of any such redemption, and to furnish to the stock exchange any information requested in reference to such redemption.

17. To notify the stock exchange of the change or removal, to a substantial extent, of collateral deposited under any of its mortgage or trust indentures under which listed securities are outstanding.

18. To have on hand at all times a sufficient supply of certificates to meet the demands for transfer.

19. If at any time the stock certificates of the company do not recite the preferences of all classes of stock the company agrees with the exchange that it will furnish stockholders, upon request and without charge, with a printed copy of the preferences of all classes of stock.

20. To furnish the New York Stock Exchange, on demand, such reasonable information concerning the company as may be required.

SPECIAL AGREEMENTS

There are separate forms of agreements for voting trusts, investment trusts, and bankers applying for the listing of American certificates for foreign bearer shares, copies of which will be furnished upon request.

The committee recommends a date be fixed as record for dividends, allotment of rights, and stockholders' meetings without closing the transfer books.

Notice of rights, allotments, subscription privileges to bondholders and shareholders should be as of a date after authorization.

TRUSTEES OF MORTGAGES

The committee recommends that a trust company or other financial corporation be appointed trustee of mortgages, indentures, and deeds of trust; and when a State law requires the appointment of an individual as trustee, a trust company or other financial corporation be appointed as cotrustee.

Each mortgage, indenture, or deed of trust should be represented by a separate trustee.

The committee will not accept as trustee (a) an officer or director of the issuing corporation, (b) a corporation in which an officer of the issuing corporation is an executive officer.

The trustee shall present a certificate accepting the trust and certifying (1) securities are issued under the terms of the mortgage or indenture, giving the numbers, denominations, and amount authenticated; (2) collateral deposited; (3) disposition of prior obligations. For additional issues of bonds the trustee must certify that (1) increase is in conformity with terms of mortgage or indenture, giving numbers, denominations, and amount authenticated; (2) additional collateral deposited; and (3) disposition of prior obligations.

The company and trustee shall notify the stock exchange of the holding, cancellation, or retirement of securities, by redemption, through the operation of sinking fund or otherwise.

The trustee must notify the stock exchange if deposited collateral is changed or removed and furnish a list of collateral substituted.

A change of trustee shall not be made without the approval of the committee.

TRANSFER AND REGISTRY

Every corporation whose securities are listed upon the stock exchange must, in accordance with the rules of the exchange, maintain (a) a transfer office and (b) a registry office, both in the Borough of Manhattan, city of New York. The transfer agency and registrar shall not be identical, and both must be acceptable to the committee. A company can not act as registrar of its own stock.

Where a stock is transferred at the company's office, the transfer agent or transfer clerk shall be appointed by specific authority of the board of directors to countersign certificates, in said capacity, and shall be other than an officer who is authorized to sign certificates of stock.

The entire amount of the capital stock of a corporation listed upon the stock exchange must be directly transferable at the transfer office of the corporation in the Borough of Manhattan, city of New York. When a corporation makes transfer of its shares in other cities certificates shall be interchangeably trans-

ferable, and identical in color and form, except as to names of transfer agent and registrar; and the combined amounts of stocks registered in all cities shall not exceed the amount authorized to be listed.

Interchangeable certificates must bear a legend reciting the right of transfer in New York and other cities.

The registrar must file with the secretary of the stock exchange an agreement to comply with the requirements in regard to registration and not to register any listed stock or any increase thereof until authorized by the committee.

Certifications of transfer and registry must be dated and signed by an authorized officer of the transfer agent and registrar, respectively.

A change in the form of a security of a transfer agency or of a registrar shall not be made without the approval of the committee.

FORMS OF CERTIFICATES, ENGRAVING, ETC.

General requirements

(See specific requirements below)

All securities for which listing upon the exchange is requested, except as otherwise herein stated, must be engraved and printed in a manner satisfactory to the committee from at least two steel plates by an engraving company whose work the committee is authorized by the governing committee to pass upon; the name of the engraving company must appear upon the face of all securities and also upon the face of coupons and the title panel of each bond. Securities must bear a vignette upon their face.

Said plates shall be: (1) A border and tint plate from which should be made a printing in color underlying important portions of the face printing; (2) a face plate containing the vignettes and descriptive or promissory portion of the document, which should be printed in black or in black mixed with a color. The combined effect of the impression from these plates must be as effectual security as possible against counterfeiting.

The printing of securities must be in distinctive colors to make classes and denominations readily distinguishable.

All certificates, except as otherwise stated herein, must provide for transfer and for registration with dates. When a corporation makes transfers of its shares in other cities, certificates shall be identical in color and form, except as to names of transfer agent and registrar; certificates interchangeably transferable must bear a legend reciting the right of transfer in New York and other cities.

The committee recommends that the text of securities shall provide for transfer in person or by duly authorized attorney upon surrender of the security properly indorsed.

A change in the form of a security, transfer agency, registrar, or trustee of bonds shall not be made without the approval of the committee.

The committee will object to any security upon which an impress is made by a hand stamp, except for a date or power of substitution.

Bonds

In addition to the general requirements above outlined the following apply specifically to bonds:

All bonds must be fully engraved and printed in a manner satisfactory to the committee; face of bonds and coupons must bear a vignette.

The text of bonds should recite conditions of issuance, tax exemption, terms of redemption (by sinking fund or otherwise), convertibility, default, interchangeability or exchangeability of coupon and registered bonds, and conversion into other securities.

Bonds, in the text and on the reverse, must recite payment of principal and interest in the Borough of Manhattan, city of New York, and provide for transfer and registration. Coupons must recite payment of interest in the Borough of Manhattan, city of New York, and tax exemption.

Registered bonds must carry a power of assignment in such form as the committee may approve.

The committee recommends that registered bonds be made interchangeable with coupon bonds.

Registered bonds interchangeable with coupon bonds shall bear a legend reciting numbers and denominations of coupon bonds against which they are issued.

If coupon bonds of any denomination are interchangeable with coupon bonds of other denominations, they shall contain such recital in the text and bear an appropriate legend on the reverse.

Registered bonds made such by detaching coupon sheets are not eligible for listing.

Forms of legends for bonds

For coupon bonds of one denomination interchangeable with coupon bonds of other denominations:

"As provided in the indenture, coupon bonds of the denominations of \$1,000, \$500, or \$100, at any time outstanding, when surrendered with all unmatured coupons attached and upon the payment of charges, may be exchanged for an equal aggregate principal amount of coupon bonds of any other denomination of the same issue, of numbers not contemporaneously outstanding, with all unmatured coupons attached."

For a coupon bond of a thousand dollars exchangeable for coupon bonds of smaller denominations:

"The holder of this bond may, at his option, on surrender and cancellation and on payment of charges, as provided in the indenture, receive in exchange coupon bonds of this issue for an amount aggregating \$1,000 in denominations of \$—— of numbers not contemporaneously outstanding."

For coupon bonds of smaller denominations exchangeable for a \$500 or a \$1,000 coupon bond:

"The holder of this bond may, at his option, on surrender and cancellation of this bond and others of the same issue aggregating \$500 or \$1,000, and on payment of charges, as provided in the indenture, receive in exchange a coupon bond of this issue of a number not contemporaneously outstanding for the amount aggregated."

For registered bond(s) issued for coupon bond(s) of denomination(s) of less than \$1,000:

"This bond is issued in exchange for coupon bond(s) of this issue numbered —— in denominations of \$—— not contemporaneously outstanding, aggregating the face value hereof and coupon bond(s) of this issue bearing the said number(s) and of the same denomination(s) will be issued in exchange for this bond upon surrender, cancellation, and payment of charges provided in the indenture."

For registered bond(s) issued for \$1,000 coupon bond(s):

"This bond is issued in exchange for coupon bond(s) of this issue numbered —— for \$1,000 (each), not contemporaneously outstanding, and coupon bond(s) of this issue bearing the said number(s) will be issued in exchange for this bond upon surrender, cancellation, and payment of charges provided in the indenture."

Stock

In addition to the above general requirements, the following apply specifically to stock certificates:

The border and tint plate for 100 share certificates of stock shall have said denomination engraved thereon in words and figures; the plates for smaller amounts shall bear some engraved device whereby the exact denomination of the certificate may be distinctly designated by perforation; also conspicuously upon the face, "Certificate for less than 100 shares."

Certificates of every class of stock shall recite the preference of all classes, if required by the laws of the State of incorporation. If not so required, certificates must contain at least a complete statement of the preference of the class of stock represented thereby, and also a statement that other classes of stock are authorized and that a printed copy of the preference of all classes of stock will be furnished to stockholders on request.

Certificates of stock shall recite (1) ownership; (2) per value; (3) whether shares are full paid and (4) nonassessable; (5) preference as to dividends; (6) distribution of assets upon dissolution or merger; (7) terms of redemption; (8) convertibility; (9) voting power or (10) other privileges; and (11) must bear the following legend:

This certificate is not valid until countersigned by the transfer agent, and registered by the registrar.

The following form is required upon the reverse of a certificate of stock:

For value received _____ hereby sell, assign, and transfer unto _____ shares of the capital¹ stock represented by the within certificate and do hereby irrevocably constitute and appoint _____ attorney to transfer the said stock on the books of the within-named company with full power of substitution in the premises.

Dated _____, 19___

In presence of—

NOTICE.—The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement, or any change whatever.

Certificates of deposit, voting trust certificates, etc.

In addition to the general requirements above outlined, certificates of deposit and voting trust certificates must conform in every particular to the specific requirements as to stock certificates, except that the descriptive portion of a certificate of deposit may be typed satisfactorily to the committee.

Temporary certificates or receipts

Temporary certificates or receipts must conform to the general requirements above outlined and to the specific requirements as to stock certificates, except that the text may be typed satisfactorily to the committee, and need not bear a vignette.

REMOVALS OR SUSPENSIONS IN DEALINGS OF LISTED SECURITIES

Whenever it shall appear that the outstanding amount of any security listed upon the stock exchange has become so reduced as to make inadvisable further dealings therein, the committee may direct that such security be removed from the list and further dealings therein prohibited.

"The governing committee may suspend dealings in the securities of any corporation previously admitted to quotation upon the exchange, or it may summarily remove any securities from the list."

FRANK ALTSCHUL, *Chairman.*
ASHBEL GREEN, *Secretary.*

APPENDIX A

Applications must be accompanied by the required papers and agreements and by a check to be drawn to the order of "Treasurer, New York Stock Exchange," for a fee in accordance with the following schedule, such fee being computed separately for each class of security included in an application. In addition to such fees, companies making application are required to pay cost of printing. Printer's bills will be submitted directly to the applicant.

BASIC FEES

The basic fee for listing stock or securities arising out of stock, such as certificates of deposit for stock, interim certificates for stock, allotment certificates for stock, voting trust certificates, etc., shall be, in the case of certificates having either no par value or a par value of \$100 or less, 1 $\frac{1}{2}$ cents per share, any fraction of 10,000 shares, over and above a multiple thereof, to be counted as 10,000 shares for this purpose. The basic fee for listing bonds, debentures, notes, and similar instruments having a face value and not being issued in denominations of less than \$100 shall be \$120 per \$1,000,000 face value or fraction thereof.

In any case, where a fee is to be charged, whether at the basic rate or at a modified rate, the minimum fee will be \$120.

The full basic fee will be charged in all cases, unless otherwise herein stated.

¹ On certificates without nominal or par value the word "capital" may be omitted.

MODIFICATIONS OF BASIC FEES

1. In cases where, after an initial listing, a change is involved between par and no par in either direction, or is in the amount of the par value of the security, or represents a greater or smaller number of shares of no-par stock involving the cessation of trading in no-par stock theretofore listed (as distinguished from a stock dividend in which the old stock continues to be traded in), the fee for such number of the substituted shares to be listed as is not in excess of the number of shares to be stricken from the list shall be one-fourth of the basic fee. For all shares so issued in excess of the number of shares to be stricken from the list, the full basic fee will be charged.

2. Where there is a change in the classification or name of a stock, without alteration of any preferences which it may bear, such as from capital to common, or vice versa, and without alteration in the number of shares, one-fourth of the basic fee will be charged. When, however, the change of name of a stock having a preference involves also the giving of a higher or lower preference to the stock, the full basic fee will be charged.

3. Where the change is in the nature of an extension of a time limit, as in the case of an extended voting trust, the number of shares listed not being increased, one-fourth of the basic fee will be charged.

4. Where the change is from listed stocks or bonds to certificates of deposit, whether or not a reorganization of the listed company is involved, one-fourth of the basic fee will be charged.

5. When the change is from certificates of deposit to stock or bonds:

(a) If such stock or bonds are identical with formerly listed securities, for which such certificates of deposit were issued, no fee will be charged up to the number of shares so formerly listed. For additional shares, the full basic fee will be charged.

(b) Where the certificates of deposit have been listed first and are thereafter replaced by the securities initially deposited, one-fourth of the basic fee will be charged for listing such securities.

(c) If such stock or bonds represent securities issued under a reorganization, or in any other respect differ from the securities for which such certificates of deposit were originally issued, the full basic fee will be charged, whether or not the securities were listed for which the certificates of deposit were originally issued.

6. Where voting trust or stock trust certificates are issued in exchange for listed stock of the same company, one-fourth of the basic fee will be charged.

7. When voting trusts or stock trusts terminate and where the stock replacing them is identical with formerly listed stock for which such voting or stock trust certificates were issued, there will be no fee up to the number of shares so formerly listed. For additional shares, the full basic fee will be charged. If, however, the stock replacing such certificates was not formerly listed, one-fourth the basic fee will be charged.

8. Where the name of a corporation is changed, without reorganization, merger, or other change in its corporate structure, the fee will be one-fourth of the basic fee for such number of shares as may be issued not in excess of the number of each class authorized to be listed prior to such change of name, plus the full basic fee for any additional number of shares. If, however, a reorganization or merger resulting in a new corporation is involved, the full basic fee will be charged on all shares to be listed.

9. In the case of a stock dividend, the additional stock issued is subject to the full basic fee. There is no additional fee as to the old stock.

MEMO. FOR ——— COMPANY

Preliminary: four drafts of application; one copy, charters, by-laws, mortgages, etc.; one distribution; set of specimens.

The following papers, etc., are required to complete the files:

Check for \$_____ and letter of transmittal to accompany application.

1. Application, original signed copy (and 14 copies).

Application, sign proof.

Application, final signed copy.

2. Charter, with amendments (certified by secretary of State), (and 3 copies).

3. By-laws, with amendments (certified); (and 3 copies).

4. Leases (locations).

- 5. Special agreements.
- 6. Resolutions:
 - (a) Authorizing issues—stockholders.
 - (b) Authorizing issues—directors.
 - (c) Authorizing reservation for conversion.
 - (d) Authorizing listing—appearance of _____.
 - (e) Appointing transfer agents and registrars.
- 7. Registrar's certificates as to amount registered.
- 8. Opinion of counsel.
- 9. Distribution (and seven copies), all signed.
- 9a. Notice from transfer agent as to amount issued.
- 10. Public authority certificate.
- 11. Report of engineer (or equivalent).
- 12. Map.
- 13. Specimens (temporary) approved _____.
- 14. Specimens (permanent) approved _____.
- 15. Specimens (altered) approved _____.
- 16. Mortgage or indenture (and supplements) (certified) (and three copies).
- 17. Trustee's certificate, showing: (a) acceptance of trust; (b) securities are issued in accordance with indenture; (c) disposition of securities redeemed or refunded; (d) collateral deposited; (e) disposition of prior obligations.
- 18. Certified copy of release or satisfactions of underlying mortgages.
- 19. Financial statements (certified).
- 20. Questionnaire.
- 21. Notice of availability of eligible security for trading (issue, transfers, and exchanges).

Notice from company as to amount taken by underwriters.

22. Agreements.

Certificates of deposit, voting trust, etc.: Certified copy deposit or trust agreement; certified copy circular issued by trustees or committee; certificate as to amount deposited.

Reorganizations: Certified copy decree of foreclosure or dissolution; certified copy decree confirming sale; certified copy of court, authority for reorganization; certified copy of plan.

_____ (COMPANY).

Date, _____.

Distribution of _____ bonds on _____, 192__:

No. of holders.	Amount
_____ Holding up to \$5,000_____	\$_____
_____ Holding up to \$5,001 to \$10,000_____	\$_____
_____ Holding up to \$10,001 to \$20,000_____	\$_____
_____ Holding up to \$20,001 to \$30,000_____	\$_____
_____ Holding up to \$30,001 to \$40,000_____	\$_____
_____ Holding up to \$40,001 to \$50,000_____	\$_____
_____ Holding over \$50,000_____	\$_____
_____ Total number of holders_____	\$_____

(To be made out for each class of bonds applied for.)

_____ Company,

Distribution of _____ stock on _____, 193__:

	Shares
_____ Holders of 1 to 100 share lots_____	_____
_____ Holders of 101 to 200 share lots_____	_____
_____ Holders of 201 to 300 share lots_____	_____
_____ Holders of 301 to 400 share lots_____	_____
_____ Holders of 401 to 500 share lots_____	_____
_____ Holders of 500 to 1,000 share lots_____	_____
_____ Holders of ¹ 1,001 and up share lots_____	_____
_____ Total stockholders.	_____
_____ Total shares	_____

¹ The 10 highest holders on the above date were as follows:

1. _____ shares.	5. _____ shares.	9. _____ shares.
2. _____ shares.	6. _____ shares.	10. _____ shares.
3. _____ shares.	7. _____ shares.	Total _____ shares.
4. _____ shares.	8. _____ shares.	

All stock is free for sale and is held under no syndicate, agreement, or control.

Certified correct.

(To be made out for each class of stock applied for.)

AGREEMENTS

To be made part of applications where applicable

The _____, in consideration of the listing of the securities covered by this application, agrees with the New York Stock Exchange as follows:

1. To notify the New York Stock Exchange promptly of any change in the general character or nature of its business.

2. To notify the New York Stock Exchange immediately if it or any subsidiary or controlled company should dispose of any property or of any stock interest in any of its subsidiary or controlled companies, with statement of the consideration received when such disposal would impair or materially affect its financial position or the nature or extent of its operations as theretofore conducted.

3. To publish periodical statements of earnings, as agreed upon with the committee.

4. To publish at least once in each year and submit to stockholders at least 15 days in advance of the annual meeting of the corporation a balance sheet and income statement for the last fiscal year and a surplus statement of the applicant company as a separate corporate entity and of each corporation in which it holds, directly or indirectly, a majority of the equity stock, or, in lieu thereof, eliminating all intercompany transactions.

A similar set of consolidated financial statements. If any such consolidated statements exclude any companies a majority of whose equity stock is owned, (a) the caption will indicate the degree of consolidation; (b) the income account will reflect, either in a footnote or otherwise, the parent company's proportion of the sum of or difference between current earnings or losses and the dividends of such unconsolidated subsidiaries for the period of the report; and (c) the balance sheet will reflect, in a footnote or otherwise, the extent to which the equity of the parent company in such subsidiaries has been increased or diminished since the date of acquisition as a result of profits, losses, and distributions. Appropriate reserves, in accordance with good accounting practice, will be made against profits arising out of all transactions with unconsolidated subsidiaries in either parent company statements or consolidated statements.

Such statements will reflect the existence of any default in interest, cumulative dividend requirements, sinking fund, or redemption fund requirements of any controlled corporation, whether consolidated or unconsolidated.

5. To publish all future annual financial statements of any character, in the form contained in the listing application and in the publication of reports of earnings for any period of less than a fiscal year to show net profits in the aggregate and per share of each class of listed stock after depreciation, depletion, income taxes, and interest, estimating the proportionate amount of these items as accurately as may be if not finally determined at date of publication.

6. Not itself and not to permit any subsidiary, directly or indirectly controlled, to take up as income stock dividends received at an amount greater than that charged against earnings, earned surplus, or both of them by the issuing company in relation thereto.

7. Not to make any change in depreciation policies as described in the application and not to make any substantial change in any percentages therein recited as applicable to particular classes of property without notifying the stock exchange and without calling attention to such changes in the next succeeding published report and, if this be an interim report, also in the next succeeding annual report.

8. To maintain, in accordance with the rules of the stock exchange, a transfer office or agency in the Borough of Manhattan, city of New York, where all listed securities shall be directly transferable, and the principal of all listed securities with interest or dividends thereon shall be payable; also a registry office in the Borough of Manhattan, city of New York, south of Chambers Street, other than its transfer office or agency in said city, where all listed securities shall be registered. If its transfer books should be permanently closed, to continue to split up certificates of listed stock into smaller denominations in the

same name so long as such stock shall be retained upon its list by the New York Stock Exchange. If its transfer office or agency should be or should become located north of Chambers Street, to arrange, at its own cost and expense, that its registry office will receive and redeliver all securities deposited at such registry office for the purpose of transfer.

9. Not to add to the number of its transfer agencies nor to make any change of a transfer agency, or of a trustee of its listed bonds or securities, without prior notice to the committee on stock list, and not to add to the number of registrars of its listed stock nor to change a registrar of its listed stock without the prior approval of the committee on stock list, nor to select an officer or director of the company as a trustee of its mortgages or other listed securities unless such officer or director be a cotrustee for an issue having a corporate trustee.

10. Not to make any change in the form or nature of its listed securities or in the rights or privileges of the holders thereof, without having given 20 days' prior notice to the committee on stock list of such proposed changes, and having made application for the listing of the securities as changed, if the committee on stock list so requires.

11. To notify the stock exchange in the event of the issuance or creation in any form or manner of any rights to subscribe to, or to be allotted, its securities, or of any other rights or benefits pertaining to ownership in its securities, and to afford the holders of its listed securities a proper period within which to record their interests and to exercise their rights, and to issue all such rights in form approved by the stock exchange and to make the same transferable, payable, and deliverable in the Borough of Manhattan, city of New York.

12. To notify the stock exchange promptly in the event of issuance of options or warrants to purchase stock, otherwise than

(a) pro rata to stockholders,

(b) to officers and employees under general employee's stock purchase plan,

(c) firm offers of stock to be taken in a block within four months from the date of such offer, of the number of shares covered by such options, of their terms and of the time within which they may be exercised and of any subsequent changes therein and thereafter to include this information together with like information as to any options in existence at the time of approval of this application so long as said options are outstanding, in all annual financial reports furnished to stockholders and in all formal published reports.

13. To make application to the stock exchange for the listing of additional amounts of listed securities sufficiently prior to the issuance thereof to permit action in due course upon such application.

14. To publish promptly to holders of listed stock any action in respect to dividends on shares, or allotments of rights for subscription to securities, notices thereof to be sent to the stock exchange, and to give to the stock exchange at least 10 days' notice in advance of the closing of the transfer books, or extensions, or of the taking of a record of holders for any purpose.

15. To forward to the stock exchange copies of all notices mailed to stockholders looking toward charter amendments, and to file with the stock exchange two copies of amended charter, or resolutions of directors in the nature of amendments (one of which must be certified) as soon as such amendments or resolutions have become effective.

16. Not to purchase listed preferred stock for retirement at a price in excess of that at which the stock purchased might then be obtained in the open market and not to select preferred stock for redemption otherwise than pro rata or by lot; to notify the stock exchange immediately and at least 15 days in advance of any such redemptions, and to furnish to the stock exchange any information requested in reference to such redemption.

17. To notify the stock exchange of the change or removal, to a substantial extent, of collateral deposited under any of its mortgage or trust indentures under which listed securities are outstanding.

18. To have on hand at all times a sufficient supply of certificates to meet the demands for transfer.

19. If at any time the stock certificates of the company do not recite the preferences of all classes of stock the company agrees with the exchange that it will furnish stockholders, upon request and without charge with a printed copy of the preferences of all classes of stock.

20. To furnish the New York Stock Exchange, on demand, such reasonable information concerning the company as may be required.

By _____

QUESTIONNAIRE

(To be signed by an officer of the company)

This questionnaire accompanies application of the _____, 193__ for the listing of _____

1. Is the management control of the company held by any other company through either stock ownership, lease, or contract? _____

2. Are there within your knowledge any syndicate or concentrated holdings of this security? _____

Is there any restraint on any portion of the security? _____

4. What dividends (if any) are in arrears on the preferred stocks either of the company or of any of its subsidiaries? _____

5. What dividends (if any) have been declared (and not paid) since the date of this application? _____

6. What rights (if any) to subscribe to any present securities or new securities remain unsettled as of the date of this application? _____

7. Are the transfer books to be closed or a record of stockholders to be taken in the near future for any purpose? _____

8. Has there been any change in your charter or by-laws since previous filing with the committee? _____

9. Will you agree to publish quarterly statements of earnings and transmit copies of such statements to the committee on stock list? _____

10. If it is legal under your charter, will you agree to take a record of stockholders for dividends and meetings instead of closing your books? _____

11. To avoid the congestion caused by the fact that numerous corporations have adopted the same date of record of stockholders for payment of dividends, will you agree to make your record date of stockholders for such purpose some date other than the 15th of March, June, September, and December? _____

12. In case the securities to be listed are in temporary form will you agree that orders for permanent engraved securities to replace them shall be placed within 30 days and that, when ready for delivery, a notice will be sent to stockholders asking that temporary certificates be exchanged immediately for permanents and calling attention to the fact that it is the practice of the New York Stock Exchange to strike temporaries from the list 10 days after the admission of permanents? _____

13. When and by whom was the last audit of your books prepared? _____

14. Will you make copies of the audits of your books available to the committee on request? _____

15. Have any other reports of a financial, accounting, or engineering nature been made either on your behalf or on behalf of any banker or underwriting or banking group within the past three years? _____. If so, please indicate the character of these reports and state whether they will be made available for the inspection of this committee upon request? _____

16. Is there any litigation pending or threatened that would affect the company's income from, title to, or possession of any of its property? _____

17. The committee in order to facilitate the business of the exchange desires that the transfer agent of your company be directed to sign the stock transfer department receipts for all stock submitted by the Stock Clearing Corporation for transfer. Will you so agree? _____

18. Will you agree to issue new certificates replacing lost ones forthwith upon notification of loss and receipt of proper indemnity, making any changes which may be necessary in your charter or by-laws to permit this to be done? _____

19. Will you agree that all calls for redemption (foreign bonds) published abroad will be published on the same day or days in a newspaper of general circulation published in the Borough of Manhattan, city of New York? _____

20. The committee desires to be kept informed as to any diminution in the supply of stock available for the market occasioned by deposit of stock under voting trust agreements or other deposit agreements. If knowledge of any such actual or proposed deposits should come to the official knowledge of the officers or directors of the company, will you agree promptly to notify the exchange, giving the names and addresses of the deposit committee and, if known to the company, the amount or number of shares so deposited? _____

21. If action on your application is favorable how many copies of the application do you require printed for you at your expense? _____

22. In the event any additional papers should be required for the committee's files, will you agree to furnish same on request? _____

By _____,

1. "The financial statements included in this application were audited by _____, whose certification attached thereto is in the following form: (quote certification)."

Any necessary modifications of this may be made to fit the circumstances as, for instance, if there is no certification, and the exhibits are simply signed by the accountant, the paragraph should show that the statements have been signed without qualification. If annual statements have been audited but interim statements have not been, the paragraph should show this and should show the name of the officer of the company certifying the interim statements. If the financial statements in the exhibits have been audited by another auditor, the foregoing paragraph should be confined to the statements in the main body of the application and each exhibit should contain a similar paragraph as to the financial statements included therein.

Under the same heading as the foregoing paragraph and in cases where an outside accountant is employed, there should be a statement to the effect either that there has been no change in accountants during the past 12 months or that there has been a change in accountants, giving the date of such change. This paragraph is not necessary where the accounts are certified only by the officers of the company.

2. In case an engineer's appraisal, or certificate, is filed with the application, an appropriate paragraph should appear under the heading, "Engineer's report," stating the nature of the supporting papers filed and the name of the engineer.

3. Application should contain a paragraph headed, "Opinion of counsel," and reciting that the validity of the securities to be issued has been passed upon and approved by (naming counsel). In case counsel's opinion, as furnished, contains other matter of importance, due reference thereto should be made in this paragraph.

SPECIAL REQUIREMENTS FOR LISTING INVESTMENT TRUST SECURITIES, NEW YORK STOCK EXCHANGE

(Approved by committee on stock list, June 6, 1929, as amended to April, 1931)

The committee on stock list is prepared to receive applications to list the securities of certain types of companies commonly designated as investment trusts and to consider each application on its merits.

The committee regards as falling within this designation such companies as are engaged primarily in the business of investing and reinvesting in the securities of other corporations for the purpose of revenue and for profit, and not in general for the purpose of exercising control.

As companies of this nature represent a relatively recent development in American finance, the committee designs, in promulgating these requirements, merely to give to prospective applicants information as to the policies which will guide it in the light of its present knowledge. As experience with conditions gained through actual applications progresses, the right is reserved to alter or amend these requirements, in the discretion of the committee, without notice.

For the present, applications for listing securities of investment trusts will be considered only when such trusts are of the general or management type.

In order that securities falling within this category may be eligible for listing, an application must be filed with the committee on stock list in the manner prescribed in a circular of the committee dated January 2, 1931 (or any future amendments thereof), and contain the information and be accompanied by the required documents, in so far as the provisions of that circular are applicable.

NONPUBLICATION OF APPLICATIONS

Until further notice the names of investment trusts which apply for listing of their securities shall not be published, inasmuch as refusals may be frequent until satisfactory final requirements for listing shall have been developed through experience. At a later date the usual publicity may be given to the names of applicants.

MANAGEMENT

Each application for listing a security of an investment trust, as defined above, must state whether such trust is to be managed independently by its own officers and directors or whether it is to be managed directly or indirectly

by other individuals, firms, or corporations. The names of all individuals, firms, or corporations which are directly or indirectly responsible for the management must be set forth, and there must be included in the body of the application a summary of all significant provisions contained in the charter, articles of incorporation, and by-laws of the company, and all significant provisions contained in any existing agreements or contracts which define the powers and privileges of the management and the restraints thereon.

Copies of all of these documents must be submitted with the application.

These requirements apply likewise to any subsidiaries existing at the time of the application.

If the investment trust is managed exclusively and independently by its own officers and directors, the affiliations of such officers and directors with other firms or corporations must be stated.

If the investment trust is managed directly or indirectly by another individual, firm, or corporation, a copy of each contract with such individual, firm, or corporation must be included in the body of the application.

Each application must present full details regarding the basis on which compensation for management is computed, including direct payments, options, warrants, and any other form of direct or indirect compensation either present or future.

Applicant companies must agree promptly to advise the exchange, on behalf of themselves and of any subsidiaries which have been or may be formed, of any change in the terms or conditions of any management contracts existing at the time of listing and of the terms and conditions of contracts subsequently concluded. In like manner applicant companies and subsidiaries must agree to inform the exchange of all changes in terms and conditions of option warrants.

OPERATING EXPERIENCE

No fixed period of actual existence as an operating investment trust is now stipulated before the applicant is eligible for listing, but such reasonable period will be required as in the judgment of the committee has demonstrated that the applicant is a successful operating organization. The required period may be made to depend upon the organization's size and the purpose of the trust.

SIZE

In order to be eligible for listing the aggregate value of the capital, surplus and funded debt of an investment trust, whether managed independently and directly by its own officers and directors or managed directly or indirectly by other individuals, firms, or corporations, should be of such minimum size as will, in the opinion of the committee, permit successful operation as an investment trust. Such required aggregate of capital, surplus, and funded indebtedness will depend upon the organization and purposes of the trust and other general considerations.

ORGANIZATION EXPENSES

Each application must show in detail all costs of organization and all expenses of selling each class of securities of such trust which may have been issued, together with a precise statement of the net proceeds to the company of each issue of its securities. Excessive costs of organization and of selling the several classes of securities of an investment trust may be considered as a bar to listing, unless such excessive costs have been absorbed prior to the date of the application.

LOANS

If the application indicates that the company has an excessive amount of unfunded debt, or if subsequent reports indicate that such unfunded debt exceeds or tends to exceed prudent limits, the application may be rejected or the securities of the investment trust in question may be stricken from the list, as the case may be.

COMMISSIONS

As a prerequisite for listing, each individual, firm, or corporation which is directly or indirectly concerned with the management of an investment trust and collectively constituting the managers of the trust must agree either with the New York Stock Exchange or in the management contracts with the invest-

ment trust that on any securities listed on any recognized stock exchange only the commissions authorized by such exchange shall be charged by such managers on securities bought or sold by such managers for the account of the investment trust and that only customary and reasonable commissions shall be charged by them on unlisted securities which shall be purchased or sold.

NONVOTING STOCK

In case an investment trust has issued one or more classes of stock which are entitled to preferential dividends but which do not carry the right to vote, such stock shall be accorded the right to vote at all times that as much as one year's preferential dividends are in arrears, and the right to vote shall continue until arrears have been liquidated. No nonvoting stocks will be listed unless substantially preferred as to both dividends and assets.

STATEMENT OF EARNINGS AND SURPLUS

A comprehensive and detailed statement of earnings and of surplus shall be prepared and published within 30 days after the close of at least each annual fiscal period. Such statement shall also be submitted to stockholders at least 15 days in advance of the annual meeting of the investment trust. The statement shall show separately gross earnings, if any, under at least the following classifications:

Interest; dividends; profit on sale of securities (if taken into income account); profit in syndicate participations; transfers from reserves previously created, if any; and miscellaneous.

Only actual realized earnings shall be shown in the income account or shall be reflected in the balance-sheet figures.

In case the item "Miscellaneous earnings" appears to the committee to require explanation, such item must be further classified as to origin.

The committee favors the elimination from the income account of all profits or losses on security transactions and crediting or debiting them, preferably to a properly designated reserve, or else to a special surplus account, which should be a segregated part of the earned surplus. Should a reserve be established and a debit balance occur therein, it should be shown as a deduction from earned surplus. This reserve or special surplus account should not be regarded as available for current dividends, and when utilized as a source of special dividends, such dividends should carry with them a clear indication of their character.

Excepting the elimination of realized gains or losses on the sale of securities, the income account shall include all revenue, as well as all losses, from whatever source derived. Either the income account or entries to reserve or special surplus account shall reflect, in the aggregate, the profit or loss upon each and every completed transaction consummated by the purchase and sale of securities. A technical short sale against a long position must not be used for the purpose of considering any transaction as incomplete.

In cases where profit on sale of securities is treated as a part of the income, losses on sale of securities must be treated as part of the deduction from income. If reserves have been established against such losses, the full realized losses should first be included in the income account, and any utilization of such reserves should be treated thereafter as a transfer from reserves to the credit of income account.

In computing realized profits or losses on the sale of securities, the method of computing the cost of securities sold upon the basis of their average cost appears to be the only one which does not result in a distortion of the income account. The method of computing costs of securities sold must be described in all financial statements presented and attention called to any changes whatsoever in accounting methods within the period.

Any profit arising out of the reacquisition of a company's own preferred or common stock at less than its par or stated value, or arising out of the resale of such reacquired stock at a price higher than that at which it was reacquired, must be shown as an item of capital or of capital surplus, and in no case as a part of earnings or of earned surplus.

Profits arising out of the reacquisition of its own bonds by a company may be used to diminish any unamortized bond discount and expense, credited to earned surplus direct and not through income account, or credited direct to capital surplus, at the option of the company.

The income account shall include no profits resulting from participation in a syndicate offering securities to the public until such syndicate is closed. If the applicant enters into any other operations in account with others, the profit or loss at the date of each published financial statement must be reflected therein.

As a footnote to the income account there should be a clear statement of the increase or decrease during the current year of the amount by which the market value of securities held exceeds or is less than their book value.

In the case of investment trusts which eliminate from the income account realized trading gains and losses, there should be a further footnote showing any change which has taken place in the reserve or special surplus account through which these trading gains or losses are booked.

If reserves against possible losses are set aside out of profits, the income account must show the amount so appropriated during the current accounting period, and the accrued reserves to date against losses shall also be shown in the balance sheet.

Expenses and deductions must be reported in such reasonable detail as the committee may determine, including showing separately, at least, interest paid and accrued, taxes paid and accrued, transfers to reserves, if any.

The statement of surplus shall show the amount carried forward as surplus from the immediately preceding period and indicate in detail all additions thereto and deductions therefrom.

BALANCE SHEET

A comprehensive and detailed balance sheet shall be prepared and published within 30 days after the close of each year. Such balance sheet shall also be submitted to stockholders at least 15 days in advance of the annual meeting of the investment trust.

The valuation of securities held must be shown upon the balance sheet at cost, summarized in reasonable detail. There must be a clear distinction made between capital surplus and earned surplus. If reserves have been created, the designation of these reserves must be so clear that there can be no doubt of their nature and purpose. There must be appended to each balance sheet a footnote showing the aggregate cost of all securities owned, their aggregate current value, and the difference. If a reserve has been set up against all or any part of any unrealized losses, proper reference to this reserve should be made in the footnote.

ANALYTICAL STATEMENTS

There should be included in the report an analysis of the change in position during the period, showing the net improvement or impairment in position for the period, including unrealized gains and losses, such change to be shown after dividends and without taking into account capital transactions. The net improvement or impairment in question should be shown in the aggregate, and per share for each class of stock outstanding.

The actual dividend per share paid on each class of stock outstanding should be shown in connection with this analysis.

There should appear in the report an analysis of the cover in back of all capital obligations; for the purpose of this analysis, the portfolio should be adjusted to the market value, including in this adjustment the portfolio of any unconsolidated and subsidiary investment trust as though it had been fully consolidated. This should show as of the beginning and end of the period under review the following items, together with such changes in them as have taken place: (1) Assets behind outstanding bonds; (2) assets behind outstanding preferred stocks; (3) assets behind outstanding common stock, in each case expressed in dollars per unit of the security in question.

While this analysis may be shown in any suitable manner, the committee is prepared to furnish forms which it regards as appropriate.

INVESTMENTS

The applicant shall publish with the annual report a statement showing the value of securities held either directly or indirectly at the close of each period covered by the report. Valuation of securities for this statement shall be based upon market price of all securities listed on recognized stock exchanges and upon fair appraisal of other securities. There must be contained in the report a complete list of all of the holdings of the company showing names and quanti-

ties with the proviso that no more than an amount of 10 per cent of the company's aggregate capital and surplus or 10 per cent of the cost of securities held, whichever may be less, may be covered under a heading "Miscellaneous securities": *Provided*, That after the first annual report following listing such securities have not been held for more than one year: *And providing further*, That no security which at any preceding time has been reported by name may thereafter be transferred and included under the heading, "Miscellaneous securities." This list should disclose the aggregate cost of the securities and their aggregate market value and in the case of holdings not listed on the New York Stock Exchange or the New York Curb Market, the price at which each such holding has been inventoried for the purpose of determining aggregate market value must be clearly set forth with such supporting information as may seem desirable.

AUDITORS' CERTIFICATE

There must be appended to all financial statements and inventories required by the committee the certificate of a public accountant qualified under the laws of some State or country, which shall cover all financial and analytical statements submitted. This certificate shall contain a statement that no one of the items carried under the term "Miscellaneous" in the list of investments, subsequent to the initial application, has been held for more than one year.

PURCHASE OF OWN COMMON STOCK

The applicant shall not purchase or otherwise acquire for its own account, or indirectly through a subsidiary, shares of its common stock, however designated, otherwise than under exceptional and special circumstances. In case any such purchase is made, the applicant shall publish in its annual report the number of shares purchased and the price paid for such shares. In case the applicant purchases any of its own common stock, it shall submit promptly to the committee on stock list all relevant facts in connection therewith, and upon request of the committee it shall take such steps as the committee deems necessary to make such reacquired shares unavailable for trading without further application. Permission to dispose of such reacquired shares will be granted only on condition that the sale price of such shares shall be fully shown in the annual report.

SUBSIDIARIES

In case the investment trust holds, either directly or indirectly, a majority interest in the voting stock of another company at the time of any earnings report, such other company shall be considered as a subsidiary. Each balance sheet and earnings statement shall be presented in one of the following forms:

1. A fully consolidated balance sheet and earnings statement, prepared in such manner as to include each subsidiary, as defined above, and also to show any minority equities in both earnings and assets. Securities owned by each subsidiary shall be presented separately, as indicated under the requirement entitled "Investments."

2. Separate earnings statements and balance sheets for each subsidiary, together with a separate tabulation of securities of such subsidiary, in accordance with the requirements entitled "Balance sheet" and "Investments." In case this alternative is adopted, the valuation assigned upon applicant's balance sheet to its equity in such subsidiary or subsidiaries must be shown separately and must not be greater than the cost thereof. There must also be separate footnotes to parent company's balance sheet and income account giving effect to market or appraisal value of the investments of subsidiaries.

SPECIAL AGREEMENTS

Applicants must agree not to pay any cash or stock dividends on common stock when such dividends, plus any amount by which the current value of securities held shall be less than their cost, exceed the earned surplus and undivided profits, unless at the time of the payment of such dividends there is sent to stockholders a statement, in form approved by the committee on stock list, setting forth clearly the net impairment which will exist after the payment of such dividends, stated both in aggregate dollars and dollars per share of common stock. If the corporation has senior securities outstanding at the time of the payment of any such dividends, such statement must, in addition, state

in terms of percentage the ratio of the common stock equity, remaining after the declaration of such dividends, to such senior securities, taken at par value or the sum to which they would be entitled upon involuntary liquidation, whichever is the greater. For the purpose of this agreement stock dividends must be charged against earnings on what appears to the committee on stock list to be a reasonable basis.

This agreement must further provide that no dividends will be paid upon common stock unless net earnings excluding net realized trading losses, are at least sufficient to cover them.

STATEMENT ON INVESTMENT TRUSTS (MANAGEMENT TYPE), COMMITTEE ON STOCK LIST, NEW YORK STOCK EXCHANGE

The committee on stock list issued on June 6, 1929, its original tentative requirements for the listing of investment-trust securities of the general or management type on the New York Stock Exchange. Since then the committee has had before it listing applications for 20 investment trusts and has examined and compared a large number of investment-trust annual reports. Beyond this, the committee has had discussions from time to time with investment-trust managers and accountants with a view to keeping itself informed concerning developments in investment-trust practice.

As a result of its efforts the committee feels that it is now in a position to revise the tentative special requirements for listing investment-trust securities. These requirements have been so revised, and the new requirements are available for distribution.

In this connection it is felt that the time is opportune for the committee to make some general observations in regard to the information that should properly be included in the annual or semiannual reports of investment trusts, in regard to the accounting methods upon which this information should be based, and in regard to certain phases of investment-trust practice.

To the extent that these observations are positive in their nature, they have, in general, been incorporated in the Listing Requirements. To the extent that they are somewhat more tentative, they are submitted merely as an expression of the existing preferences of the committee.

For the sake of clarity, these observations will be dealt with under the three general headings "Annual reports," "Accounting methods," and "Practice."

ANNUAL REPORTS

The information the inclusion of which is considered essential is as follows:

- (1) A list of officers and directors.
- (2) A list of security holdings.
- (3) A clear statement of the financial position of the company as of the date of the report.
- (4) A clear statement of the progress of the company during the period covered by the report.
- (5) An accountant's certificate, so worded as to clearly include at least a verification of the securities and an audit of all financial statements and analyses presented.

Items (1) and (5) appear to require no particular comment.

Item (2) requires merely the explanation that, while a complete list of security holdings seems desirable, the committee on stock list has recognized, in its listing requirements for investment trusts, and still recognizes, that the publication of a complete list may, under certain circumstances, involve a hardship on management which should be avoided. On this account, in order that management may have reasonable leeway, the listing requirements provide that there must be contained in the report a complete list of all the holdings of the company, showing the names and quantities, with the proviso that no more than an amount of 10 per cent of the company's aggregate capital and surplus, or 10 per cent of the cost of securities held, whichever may be less, may be covered under the heading "Miscellaneous securities," provided that after the first annual report following listing such securities have not been held for more than one year; and provided further, that no securities which at any preceding time have been reported by name may thereafter be transferred and included under the heading of "Miscellaneous securities."

Item (3) refers to the balance sheet included in investment-trust reports.

In the balance sheet securities held should be carried at cost and summarized in reasonable detail, and that there should be a clear distinction made between capital surplus and earned surplus, and that if reserves have been created, the designation of these reserves in the balance sheet should be so clear that there can be no doubt of their nature and purpose.

As a footnote to the balance sheet there should appear a statement setting forth the terms of any outstanding option warrants and a statement indicating the extent to which the cost of securities held was in excess of or was less than their market value. In the event that a reserve has been set up in the balance sheet against all or any part of the unrealized losses, appropriate reference to this reserve should be included in the footnote.

Item (4) refers to the income account, the analysis of surplus, the analysis of reserves, and the fluctuation in net unrealized profit or loss during the period under review.

It is of prime importance for holders of investment-trust securities to be able to determine readily just what progress their company has made during a given period. In order that they may be able to do this it is necessary for them to be in a position to consider in connection with the income account the degree to which net unrealized profits or losses have changed since the prior accounting period.

In order to assist investors in this respect there should be added as a footnote to the income account a statement showing the change that has taken place during the period under review in the net unrealized appreciation or depreciation in the portfolio. The income account, capable of determination in various ways, and discussed more fully under the heading "Accounting methods," may prove, under any method, to be utterly misleading unless it is considered in conjunction with this information.

In order that this information, when presented, may be readily and correctly interpreted by investors the inclusion of certain amplified statements is highly desirable. One of these statements should analyze the cover behind the company's capital obligations, and the other should analyze such changes as have taken place in the position of the company during the period under review.

The committee will be glad to discuss with executives forms of statement which seem to meet the particular situation of individual companies and which at the same time conform to the general view of the committee.

The inclusion of the above information in investment-trust reports is absolutely essential if the public interest is to be safeguarded.

ACCOUNTING METHODS

Whatever the form adopted may be, it is manifest that reports will be no better than the accounting methods on which they are based. There seems little occasion to comment further in regard to the balance sheet, but accounting practice having to do with income account and surplus account varies to such an extent as to suggest the desirability of some amplification of our views on this subject.

While recognizing that corporations have a right of choice in this respect, the committee is strongly in favor of eliminating from the income account all profits or losses on security transactions and of crediting or debiting them direct, preferably to a properly designated reserve account, or else to a special surplus account, which should be a segregated part of the earned surplus.

Such gains and losses are more closely related to the unrealized appreciation or depreciation of the portfolio than to the current dividend and interest income. If this procedure is followed, investment-trust reports will be more informative to investors in that the income account will then clearly set forth merely the net result as between current income and current outgo, and this information, separated from security profits, is of particular value to holders of prior securities bearing a fixed rate of return. Furthermore, there would thus be eliminated any basis for the illusion that occasional profits realized on the sale of securities form a proper basis for measuring continuing earning power. Where this is done it would appear to be quite proper to add as a footnote to the income account a statement showing the change which has taken place in this reserve or special surplus account.

The accumulation of net profits from security transactions in a reserve or special surplus account will not make them unavailable for distribution in the

form of special dividends, either in stock or in cash. Such dividends, when declared, should, however, carry with them a clear indication of their character, and the development of confusion between income received by shareholders by virtue of regular current earnings or extraordinary and nonrecurrent earnings would be prevented.

However, if realized trading gains or losses are to be included in the income account, then it is essential that certain principles should be strictly observed.

If either gains or losses are to be included in the income account, both of them should be so included. If reserves are set up against an indicated but unrealized depreciation of securities, these reserves should be provided in the first instance by a direct charge to income account in the year in which they are established. If, subsequently, they are utilized in whole or in part, the full realized loss should first be included in the income account and the utilization of the reserve should be reflected thereafter as a transfer from reserve to the credit of income account.

In the event that a general reserve is set up to cover a possible future impairment in the value of securities, this reserve may be created by a direct charge to earned surplus. However, should it subsequently become necessary to use this reserve in whole or in part, the losses incurred should in the first instance be shown in income account, and the income account should be subsequently credited with that part of the reserve which it is intended to use.

The method of computation of trading gains or losses varies considerably as between companies. Where these gains and losses are both excluded from the income account, and where net realized trading gains are not held to be available for ordinary dividends, the method in which they are computed is of relatively less importance than in other cases. In cases where such realized trading gains appear in the income account and are regarded as available for distribution in the form of current dividends, the method of computing these figures assumes real importance.

Of the various methods of computation known to the committee for the purpose of reporting, the method of computing cost of securities sold upon the basis of the average cost appears to be the only one which does not result in a distortion of the income account. Therefore, we urge upon all corporations who treat net realized trading gains as part of the income account and available for dividends to adopt that method.

Whatever the method of computing realized trading gains or losses may be, it is imperative that investment trusts state clearly in their reports the method in actual use, and particularly that they call attention to any change of method, or to the use of more than one method during an accounting period.

PRACTICE

The question of investment trust practice is one of even more vital concern to the investor than any question having to do with the form of presentation of annual reports or of accounting methods on which these reports are based.

The investment trust is relatively new to American finance, and investment-trust practice is in the early stages of a gradual crystallization. On this account it seems proper to put forth certain general observations in the hope that in so doing the development of investment-trust practice along sound lines may be advanced.

Recognizing that it is too early to deal with the subject in anything like a comprehensive manner, it is proposed at this time to limit the discussion of practice to certain phases of the following general topics:

- I. Reacquisition of outstanding securities.
- II. Acquisition of securities of other investment trusts.
- III. Dividend policies.
- IV. Directorates.

I. Reacquisition of outstanding securities

The general question of the propriety of an investment trust reacquiring its own securities has to be viewed in the light of the capital structure of the company in question and of the purpose for which the reacquisition has been undertaken. In the matter of capital structure companies can be divided broadly into two classes: Those having prior securities outstanding and those having merely common stock outstanding.

In the case of companies having prior securities outstanding the reacquisition of outstanding bonds appears in general unobjectionable.

The reacquisition of outstanding preferred shares would appear to be unobjectionable: (a) For the purpose of retirement; (b) for the purpose of resale under proper provisions to management in connection with management plans; (c) for the purpose of reissue in connection with plans of consolidation or merger; provided that in each instance the stock reacquired had been purchased at a fair price, and that its reacquisition had not impaired substantially the equity behind any outstanding securities senior to it in character.

The reacquisition of common shares would appear in most cases to be open to the objection that it would tend to reduce the equity in back of prior securities upon which the holders of these securities are justified in relying. Where common stock is reacquired for the purpose of prompt reissue in connection with the acquisition of assets, this objection may lose its validity.

In the case of companies having only common stock outstanding the reacquisition of such stock appears unobjectionable when acquired: (a) For the purpose of retirement; (b) for the purpose of resale under proper provisions to management in connection with management plans; (c) for the purpose of reissue in connection with plans of consolidation or merger; provided that in each instance the stock reacquired had been purchased by the company at not in excess of its asset value as at the date of purchase.

Nothing in the foregoing is intended in any way to suggest the approval of investment trusts carrying on operations in the nature of trading in their own securities.

In any case where profits result from the purchase and sale by an investment trust of its own stocks these profits should be credited directly to capital or capital surplus and not to income.

II. Acquisition of stock of other trusts.

The committee on stock list in general finds nothing objectionable in an investment trust acquiring the preferred stock of other investment trusts provided the preferred stock so acquired is properly protected.

The question of the propriety of an investment trust acquiring the common stock of another investment trust appears to the committee to be very different in character.

In the case of the acquisition of interests in other investment trusts the feeling of the committee is that this procedure should in general be discouraged as containing within itself the possibility of unsound pyramiding and as involving to a degree the delegation to others of a responsibility for the investment of funds which the management had assumed in connection with the operations of their own company.

It is suggested that the extent of such investments has some bearing on the propriety of them, and on this account it is felt that investment-trust management should keep their investments in other investment trusts within such bounds as to clearly relieve them of any possible justifiable criticism.

III. Dividend policies

The committee on stock list considers it unwise for investment trusts to declare dividends on their common stock unless the total revenue of the corporation from the date of its organization to the date of such dividend declaration has been in excess of its expenses and dividends paid during such period by an amount sufficient to cover the dividend in question and also any net realized loss together with provision for any net unrealized loss accrued during the same period.

However, instances have been drawn to the attention of this committee which suggests that a strict interpretation of this view might at times work a real and unjustifiable hardship on investors. Accordingly, the committee at this time desires merely to express the view that investment trusts should not pay regular dividends on their common stock unless the total revenue of the corporation, exclusive of any net realized losses, from the date of its organization to the date of such dividend declaration has been in excess of its expenses and dividends paid during such period by an amount sufficient to cover the dividend in question. Any net realized or unrealized loss may be disregarded for the purpose of this calculation, provided that a notice, conforming to the agreements of the stock exchange in this respect, is sent to the stockholders with the dividend.

IV. Directorates

It has been urged that the public interest in investment trusts is entitled to adequate representation on directorates, and that such independent representation should be had through qualified individuals not directly affiliated either with the management of the trust itself or with its banking sponsors, if any.

It is felt that in default of such representation the possibility of questionable transactions between investment trusts and their banking sponsors exists, and that this danger may lead to the feeling that investment trusts are not always managed with an eye single to the interests of their own stockholders.

Against any such suspicion investment trusts should be protected, and this protection will in the long run prove a benefit not only to the public but to the trusts themselves, and the banking houses with which they are at times identified.

It appears to the committee as if such protection could be most readily obtained by independent directors under whose scrutiny and friendly criticism contemplated transactions would pass for review.

This view will weigh with the committee in considering listing applications.

Recommended to the governing committee by a joint meeting of the law committee and the committee on stock list held April 17, 1931.

ASHBEL GREEN, *Secretary.*

Adopted by the governing committee April 22, 1931.

ASHBEL GREEN, *Secretary.*

AGREEMENTS FOR INVESTMENT TRUSTS

(To be made part of applications where applicable)

The _____, in consideration of the listing of the securities covered by this application, agrees with the New York Stock Exchange as follows:

1. To notify the New York Stock Exchange promptly of any change in the general character or nature of its business.

2. To notify the stock exchange promptly in the event of any substantial change in the management or affiliations of the corporation.

3. To publish within 30 days after the close of each fiscal year, and submit to stockholders at least 15 days in advance of the annual meeting of the corporation, a balance sheet, an income statement for the last fiscal year and a surplus statement of the applicant company as a separate corporate entity and of each corporation in which it holds directly or indirectly a majority of the voting stock; or, in lieu thereof, eliminating all intercompany transactions:

(a) A similar set of financial statements fully consolidated as to the applicant company and all corporations in which it owns directly or indirectly a majority of the voting stock; or (b) a similar set of financial statements consolidated as to the applicant company and specifically named or described subsidiaries, with separate similar financial statements for each unconsolidated corporation in which the applicant company holds directly or indirectly a majority of the voting stock.

Such statements shall disclose fully the nature and extent of the interest of the applicant company in the corporations whose unconsolidated financial statements are furnished, and also the existence of any default in interest, cumulative dividend requirements or sinking fund or redemption fund requirements of any of the corporations whose accounts are thus consolidated or separately shown.

4. To publish in each annual report, as a footnote to the balance sheet, a statement showing the aggregate value of securities held directly, or indirectly at the close of the period, based upon market value for all securities listed on recognized stock exchanges and upon fair appraisal of other securities, compared with the aggregate cost of such securities.

5. To publish in each annual report a footnote to the income account showing the increase or decrease during the current year of the amount by which the market value of securities held exceeds or is less than their book value.

6. To publish in each annual report a list of securities held showing names and quantities, provided, however, that an amount equal to (10) per cent of either the combined capital and surplus of the corporation or of the cost of the securities, whichever is lower, may be combined under the heading

"Miscellaneous." This list shall disclose the aggregate cost of the securities and their aggregate market value, and in the case of securities not listed on either the New York Stock Exchange or the New York Curb Market, the price at which each such holding is inventoried for the purpose of determining aggregate market value will be clearly set forth with such information as may be required to support such valuation.

7. To append to all annual financial statements and inventories required by the committee the certificate of a public accountant qualified under the laws of some State or country, which certificate shall include a statement that no one of the items carried under the term "Miscellaneous" in the list of investments has been held for more than one year.

8. To publish all future annual financial statements of any character in the form contained in the listing application and, in the publication of reports of earnings for any period of less than a fiscal year, to show net profits in the aggregate and per share after depreciation, depletion, income taxes, and interest, estimating the proportionate amount of these items as accurately as may be if not finally determined at date of publication.

9. Not itself, and not to permit any subsidiary, directly or indirectly controlled, to take up as income stock dividends received at an amount greater than that charged against earnings, earned surplus, or both of them by the issuing company in relation thereto.

10. Not to pay any cash or stock dividends on common stock when such dividends, plus the amount by which the current value of securities held shall be less than their cost, exceed the earned surplus and undivided profits, without at the time of the payment of such dividends sending to stockholders a statement, in a form which has been approved by the committee on stock list, setting forth clearly the net impairment which will exist after the payment of such dividends stated both in aggregate dollars and dollars per share of common stock. If at the time of the payment of any such dividends the corporation has senior securities outstanding, such statement shall, in addition, state in terms of percentage the ratio of the common-stock equity remaining after the declaration of such dividends to such senior securities, taken at par value or the sum to which they would be entitled upon involuntary liquidation, whichever is the greater. For the purpose of this agreement, stock dividends shall be charged against earnings on a basis approved by the committee on stock list.

11. To notify the stock exchange, on behalf of itself or any subsidiaries which have been or may be formed, of any change in the terms of any management contract existing at the time of listing and of the terms and conditions of contracts subsequently consummated.

12. To maintain, in accordance with the rules of the stock exchange, a transfer office or agency in the Borough of Manhattan, city of New York, where all listed securities shall be directly transferable, and the principal of all listed securities with interest or dividends thereon shall be payable; also a registry office in the Borough of Manhattan, city of New York, south of Chambers Street, other than its transfer office or agency in said city, where all listed securities shall be registered. If its transfer books should be permanently closed, to continue to split up certificates of listed stock into smaller denominations in the same name so long as such stock shall be retained upon its list by the New York Stock Exchange. If its transfer office or agency should be or should become located north of Chambers Street, to arrange, at its own cost and expense, that its registry office will receive and redeliver all securities deposited at such registry office for the purpose of transfer.

13. To notify the stock exchange 30 days in advance of the effective date of any change in the authorized amounts of listed securities.

14. Not to add to the number of its transfer agencies nor to make any change of a transfer agency, or of a trustee of its listed bonds or securities, without prior notice to the committee on stock list, and not to add to the number of registrars of its listed stock nor to change a registrar of its listed stock without the prior approval of the committee on stock list, nor to select an officer or director of the company as a trustee of its mortgages or other listed securities unless such officer or director be a cotrustee for an issue having a corporate trustee.

15. Not to make any change in the form or nature of its listed securities or in the rights or privileges of the holders thereof without having given 20 days' prior notice to the committee on stock list of such proposed changes, and having made application for the listing of the securities as changed, if the committee on stock list so requires.

16. To notify the stock exchange in the event of the issuance or creation in any form or manner of any rights to subscribe to, or to be allotted, its securities, or of any other rights or benefits pertaining to ownership in its securities, and to afford the holders of its listed securities a proper period within which to record their interest and to exercise their rights, and to issue all such rights in form approved by the stock exchange and to make the same transferable, payable and deliverable in the Borough of Manhattan, city of New York.

17. To notify the stock exchange promptly in the event of issuance of options or warrants to purchase stock, otherwise than (a) pro rata to stockholders, (b) to officers and employees under a general employees' stock purchase plan, (c) firm offers of stock to be taken in a block within four months from the date of such offer, of the number of shares covered by such options, of their terms and of the time within which they may be exercised and of any subsequent changes therein and thereafter to include this information together with like information as to any options in existence at the time of approval of this application so long as said options are outstanding, in all annual financial reports furnished to stockholders and in all formal published reports.

18. Not to purchase or otherwise acquire for its own account, or indirectly through a subsidiary, shares of its common stock, however designated, otherwise than under exceptional and special circumstances. In case any such purchase is made, to submit promptly to the committee on stock list all relevant facts in connection therewith, and upon request of the committee to take such steps as the committee deems necessary to make such reacquired shares unavailable for trading without further application.

19. To make application to the stock exchange for the listing of additional amounts of listed securities sufficiently prior to the issuance thereof to permit action in due course upon such application.

20. To publish promptly to holders of listed stock any action in respect to dividends on shares, or allotments of rights for subscription to securities, notices thereof to be sent to the stock exchange, and to give to the stock exchange at least 10 days' notice in advance of the closing of the transfer books, or extensions, or of the taking of a record of holders for any purpose.

21. To forward to the stock exchange copies of all notices mailed to stockholders looking toward charter amendments, and to file with the stock exchange two copies of amended charter, or resolutions of directors in the nature of amendments, as soon as such amendments (one of which must be certified), or resolutions have become effective.

22. Not to purchase listed preferred stock for retirement at a price in excess of that at which the stock purchased might then be obtained in the open market and not to select preferred stock for redemption otherwise than pro rata or by lot; to notify the stock exchange immediately and at least 15 days in advance of any such redemption, and to furnish to the stock exchange any information requested in reference to such redemption.

23. To notify the stock exchange of the change or removal, to a substantial extent, of collateral deposited under any of its mortgage or trust indentures under which listed securities are outstanding.

24. To have on hand at all times a sufficient supply of certificates to meet the demands for transfer.

25. If at any time the stock certificates of the company do not recite the preference of all classes of stock the company agrees with the exchange that it will furnish stockholders, upon request and without charge, with a printed copy of the preferences of all classes of stock.

26. To furnish the New York Stock Exchange, on demand, such reasonable information concerning the company as may be required.

By _____

**SPECIAL QUESTIONNAIRE REGARDING PLANS AND AGREEMENTS COVERING
CERTIFICATES OF DEPOSIT**

This questionnaire accompanies application for the listing of certificate of deposit for _____ of _____ Co.

1. Is it provided that deposits may be made, without penalty, for at least 30 days after listing _____

If not, will you so provide? _____

2. What specific date is named for return of the deposited securities in the event that the plan does not become operative? -----
If no such date has been named, state a date to which you will consent for this purpose. -----
3. Are there any prescribed conditions under which the plan must become operative? -----
If so, state them -----
4. Is there any provision by virtue of which, in the event of abandonment of the plan, deposited securities may be sold if certificates of deposit are not surrendered within a specified time? -----
If so, will you agree to eliminate this provision? -----
5. Are there any unusual provisions in this deposit agreement? -----
If so, state them -----
6. In the event that a plan is adopted, is it provided that notice by mail shall be given to all registered holders of certificates of deposit simultaneously with the publication of notice? -----
If not, will you please do so? -----
7. State the time allowed to depositors to withdraw after a plan has been submitted for adoption. -----
If this time is less than 30 days, will you agree to extend it 30 days? -----
8. In the event of any modification of the agreement or of the plan being adverse to depositors, is it provided that notice by mail shall be given to all registered holders of certificates of deposit simultaneously with publication of notice? -----
If not, will you agree to do so? -----
9. State the time allowed to depositors to withdraw in the event of adverse modification of the agreement or of the plan -----
If this time is less than 30 days, will you agree to extend it to 30 days? -----
10. Are any charges assessable against depositors upon withdrawal from the agreement or plan? -----
If so, under what conditions and with what limitation? -----

AGREEMENTS BY VOTING TRUSTEES

(To be made part of applications where applicable)

The undersigned voting trustees, in consideration of the listing of the securities covered by this application, agree with the New York Stock Exchange as follows:

To maintain, in accordance with the rules of the stock exchange, a transfer office or agency in the Borough of Manhattan, city of New York, where all listed securities shall be directly transferable, and the principal of all listed securities with interest or dividends thereon shall be payable; also a registry office in the Borough of Manhattan, city of New York, south of Chambers Street, other than their transfer office or agency in said city, where all listed securities shall be registered. If their transfer books should be permanently closed, to continue to split up voting trust certificates into smaller denominations in the same name so long as such voting trust certificates shall be retained upon its list by the New York Stock Exchange. If their transfer office or agency should be or should become located north of Chambers Street, to arrange, at their own cost and expense that their registry office will receive and redeliver all securities deposited at such registry office for the purpose of transfer.

Not to add to the number of their transfer agencies, nor to make any change of a transfer agency without prior notice to the committee on stock list, and not to make any change in their listed securities, nor to add to the number of their registrars, nor to change a registrar, without the prior approval of the committee on stock list.

To notify the stock exchange in the event of the issuance or creation in any form or manner of any rights to subscribe to, or to be allotted their securities, or of any other rights or benefits pertaining to ownership in their securities, and to afford the holders of their listed securities a proper period within which to record their interests and to exercise their rights, and to issue all such rights in form approved by the stock exchange and to make the same transferable, payable, and deliverable in the Borough of Manhattan, city of New York.

To make application to the stock exchange for the listing of additional amounts of listed securities sufficiently prior to the issuance thereof to permit action in due course upon such application.

To publish promptly to holders of voting trust certificates any action in respect to dividend on shares thereby represented, or allotments of rights for subscription to securities, notices thereof to be sent to the stock exchange, and to give to the stock exchange at least 10 days' notice in advance of the closing of the transfer books, or extensions, or of the taking of a record of holders for any purpose.

To have on hand at all times a sufficient supply of voting trust certificates to meet the demands for transfer.

To notify the stock exchange in advance of any extension of the voting trust agreement and to make such application to the stock exchange as may be required (if any) for the listing of the extended voting trust certificates sufficiently prior to the extension of the voting trust agreement to permit action in due course upon such application.

By _____

SPECIAL REQUIREMENTS FOR LISTING FOREIGN SHARES

Subject to its right to waive or amend these requirements, the committee on stock list has adopted the following requirements for listing foreign shares:

1. To be available for listing, foreign shares must be in the form of certificates issued by an approved American institution or by the American branch of an approved foreign institution based upon the deposit with a foreign correspondent of the original foreign shares.

2. Applications must be signed by the company and indorsed by bankers to the issue satisfactory to the committee on stock list or must be made on behalf of and signed by bankers to the issue satisfactory to the committee on stock list.

3. Conditions of issuance of certificates of deposit must be such that shares deposited abroad may be released upon cable advice upon the cancellation of such certificates of deposit and that additional certificates of deposit may be issued in New York upon cable advice from the foreign depository of the deposit of additional shares. The committee may approve restrictions upon such interchangeability for a reasonable period.

4. Until further action certificates of deposit should be in registered form only. The precise form will be considered at the time of application without, until further notice, prescribed rules in relation thereto, excepting that such certificates should comply with requirements of New York State law as to negotiability. The agreement covering such certificates of deposit must provide that no original foreign shares against which there are any outstanding "oppositions" shall be accepted for deposit and must also provide for the publication to American certificate holders of a summary, in the English language, of the current annual reports of the company.

5. Application should name the exchanges upon which the security is listed and whether it is dealt in for the term settlement or for the cash settlement only.

6. The application must state affirmatively that there are no governmental restrictions against the payment of interest or dividends to American holders or against the payment of the proceeds of sale to an American holder who sells in the market of origin.

7. In determining availability for listing, the committee will give consideration to all matters affecting marketability, including the total number of shares issued, the initial number upon the American market, and the facility with which domestic and international transactions may be effected. The application should give all facts necessary for the determination of these questions.

8. No foreign share securities will be listed unless the company or its predecessor or constituent companies has been in operation for at least two full years. The application should include the last two annual balance sheets and income statements for at least two full years.

9. The share securities of small companies will not be listed. In considering size available for listing, the nominal capitalization, the market price of securities to be listed, and the amount of the earnings will be accorded due weight.

10. No securities will be listed of any foreign company which is in default in any of its obligations, other than default occasioned by currency depreciation beyond control of the company. A statement in regard to this should appear in the application.

11. Until further action by the committee, it will not recommend for listing corporate securities the nominal value of which is expressed in terms of, or the income from which is payable to security holders in, a currency which is not upon a gold basis.

12. Applications should state specifically that provision has been made for maintenance of a fiscal agent in New York City, where all dividends on outstanding American certificates will be payable at current rates of exchange. Such dividends should be remitted promptly and paid to certificate holders by check without deduction, except for reasonable charges and necessary expenses. Where desired the fiscal agent can be the same institution which issues the American certificates. Such fiscal agent or the institution issuing the American certificates must agree to mail to registered holders thereof, at their last known address, copies of all notices received affecting the interests of such holders in the deposited securities.

13. Each application should state clearly all taxes which, under existing law, may be imposed upon the holder of American certificates, directly or indirectly.

14. Accounting statements appearing in the application must be in form satisfactory to the committee and, as far as possible, should disclose the same amount of information in regard to the affairs of the foreign company as are normally disclosed by the application of an American company.

15. The application should contain a summary of all important provisions of the actions under the authority of which the securities to be listed are issued and should be accompanied by an English translation of all papers and documents required for domestic listings.

16. The nature of the disposition of the proceeds of a corporate issue will be a factor affecting its availability for listing.

17. The application should include a detailed statement of any fees, other than those ordinarily applying in the case of domestic securities, which may be charged to any one holding or dealing in the securities and should state to whom such fees are payable.

COMMITTEE ON STOCK LIST, NEW YORK STOCK EXCHANGE

FOREIGN GOVERNMENT BONDS

FEBRUARY 2, 1925.

Data required in addition to regular requirements in connection with proposed listings

1. (a) Statement of debt, internal and external, and currency in which it is to be paid; statement of external debt to be computed in dollars; (b) contingent and actual liabilities and priority; (c) revenue or assets pledged, if any, under present and other loans, and nature of administration; (d) summary of such revenue receipts and income from such assets for preceding five years, stated in dollars, if available; (e) status of the law under which said revenue or assets are pledged.

2. Past debt record with respect to (a) defaults; (b) scaling down interest payments; (c) suspending sinking-fund payments.

3. Where listed.

4. Currency in which interest and principal are to be paid.

5. Tax liability and exemption.

6. Statement of governmental income and expenditure for whatever account in the preceding five years.

7. Statement of the sums required, in dollars, to meet foreign interest charges in each of the five preceding years.

8. Statement in terms of weight and dollars (converted) of merchandise imports and exports in each of the preceding five years.

9. Statement of covenants, if any, with respect to payment of principal and interest of bonds dependent upon state of peace or war and nationality of holder.

Resolved, That application be made to the New York Stock Exchange for the listing of _____ of this corporation and that _____ be designated by the corporation to appear before the committee on stock list of said exchange, with authority to make such changes in said application or in any agreements relative thereto as may be necessary to conform with requirements for listing.

The bank-note companies whose work the committee on stock list is authorized to pass upon are as follows:

The American Bank Note Co., with subsidiary company or division, the Western Bank Note & Engraving Co. of Chicago. New York office, 70 Broad Street.

Bradbury, Wilkinson & Co. (Ltd.), New Malden, Surrey, England.

The British American Bank Note Co. (Ltd.), Ottawa, Ontario, Canada.

Canadian Bank Note Co. (Ltd.), Ottawa, Ontario, Canada.

Central Bank Note Co., 319-331 North Albany Avenue, Chicago, Ill. New York office, 233 Spring Street.

Columbian Bank Note Co., Chicago, Ill. New York office, 52 Wall Street.

Giesecke & Devrient, Leipzig, Germany. (Bonds only.)

The Hamilton Bank Note Engraving & Printing Co., 142 Adams Street, Brooklyn, N. Y.

Jeffries Bank Note Co., 117 Winston Street, Los Angeles, Calif.

Northern Bank Note Co., 2340 North Racine Avenue, Chicago, Ill.

Quayle & Son Corporation, 19 Chapel Street, Albany, N. Y. New York office, 149 Broadway.

Reichsdruckerei in Berlin, Germany. (Bonds only.)

The Republic Bank Note Co., Pittsburgh, Pa. New York office, 31 Nassau Street.

Security Bank Note Co., Philadelphia, Pa. New York office, 20 Broad Street; Chicago office, 208 South La Salle Street.

Waterlow & Son (Ltd.), 26-27 Great Winchester Street, London, England.

E. A. Wright Bank Note Co., Broad & Huntingdon Streets, Philadelphia, Pa. New York office, 280 Broadway.

S. Lankhout & Co. (Ltd.), The Hague, Holland.

AMENDED STATEMENT REGARDING ASSOCIATION OF MEMBER FIRMS WITH INVESTMENT TRUSTS

The committee on stock list, under the authority conferred upon it by the governing committee, hereby changes and amends the rules announced in a statement approved May 7, 1931, regarding association of member firms with investment trusts by striking out the words—

“except that members who on May 7, 1931, were so associated with an investment trust may relieve themselves temporarily from the operation of this rule by filing with the committee on stock list on or before May 31, 1931, a letter setting forth in detail any such existing association.

“The exception is made in order that members may not be disturbed in carrying on for the time being their existing associations with fixed or restricted management type investment trusts. Their obligation for the moment is limited to making to the committee on stock list a full statement of any such association.

“As soon as the committee on stock list concludes that a reasonable time has been allowed for all members having such associations to present the facts so that the committee on stock list may be able to determine whether the association is objectionable or not, the committee will fix a time after which the association of members with fixed or restricted management type investment trusts will be limited strictly to such trusts as shall have met the requirements of the committee.”

and by amending said rules to read as follows:

The governing committee at its meeting on May 7, 1931, on the joint recommendation of the committee on business conduct and the committee on stock list, amended section 2 of Chapter XIV of the rules adopted by the governing committee pursuant to the constitution so as to read:

“**SEC. 2.** No member or firm registered on the exchange shall be associated with an investment trust, whether management, restricted management, or fixed type, either by participating in its organization or management or by

offering or distributing its securities, unless the committee on stock list shall have previously determined that it has no objection to such association and shall not have changed such determination."

and adopted the following resolutions:

"*Resolved*, That, in addition to the powers conferred on it by the constitution, the committee on stock list is authorized to make such rules and regulations as it may deem necessary in regard to the association of a member or firm registered on the exchange with an investment trust.

"*Further resolved*, That the committee on stock list is authorized to determine the time and manner in which it shall give effect to the recent amendment of section 2 of Chapter XIV of the rules adopted by the governing committee pursuant to the constitution."

Pursuant to the authority conferred on it by these resolutions, the committee on stock list has adopted the following rules:

No member or firm registered on the exchange may hereafter be associated with a fixed or restricted management type of investment trust, either by participating in its organization or management or by offering or distributing its securities, unless the committee on stock list shall have determined that said trust is one with which the association of a member or firm registered on the exchange in any of the foregoing capacities appears unobjectionable and shall not have changed such determination.

The committee on stock list does not intend to make an announcement of its determination as to whether it finds membership association with any particular investment trust unobjectionable until after such time as may prove to be necessary to examine all applications received prior to a short period before such announcement. This determination is in order to enable it to announce simultaneously its decision as to a number of investment trusts without preference of one over the other.

At the time of such announcement a bulletin will be sent to members giving the names of all investment trusts of the fixed or restricted management type as to which the committee on stock list shall have determined that it has no objection to association by a member or firm registered on the exchange. The bulletin will fix a date after which association with any investment trust not listed in such bulletin or in a later bulletin will be deemed objectionable.

In the meantime, as a temporary measure and until the issuance of the first bulletin, the committee on stock list will deem association by members or firms registered on the exchange with investment trusts of the fixed or restricted type unobjectionable irrespective of the date of the formation of such investment trust or of the date when such association began and irrespective of whether or not any information in regard to such investment trust has heretofore been filed with any committee of the stock exchange, provided the following conditions are observed:

1. The member or firm registered on the exchange shall file a letter with the committee on stock list stating the name of the investment trust and the detailed facts concerning such association. With respect to any existing association, such letter should be filed immediately. With respect to any association formed subsequent to the date of the issuance of this statement, the letter should be filed within three days after any such association.

2. The letter should state that the member or firm registered on the exchange has received a letter from the investment trust named or from its depositor corporation reciting (a) that no objection has heretofore been made by the committee on business conduct as to any of the features of such investment trust; (b) if such objection has been made, that the objectionable features of such investment trust have been removed; (c) that it is the intention of the investment trust to make application promptly to the committee on stock list for determination with respect to the association of a member or firm registered on the stock exchange with such investment trust; (d) that the investment trust believes that it can, pursuant to the requirements heretofore issued, establish that such association with such investment trust by a member or firm registered on the exchange is unobjectionable; and (e) that pending action upon such application to the committee on stock list it will in all respects conform to the letter and spirit of said requirements in good faith and to the best of its ability.

The foregoing temporary regulations are made in order not unduly to hamper the conduct of business between members and fixed or restricted management type investment trusts during the period of the examination of what may prove to be a large number of applications.

The obligation of members and of firms registered on the exchange, with respect to the rules and regulations promulgated by the committee on stock list, will not, for the immediate present, extend beyond compliance with the conditions above stated. It will not be necessary for members who, prior to the date of the issuance of this statement, have advised the committee on stock list of their associations existing on May 7, 1931, to take any further action as to the investment trust named by them in such advice, except as may be indicated by correspondence with the exchange arising out of such notification.

For the purpose of these requirements the association with a fixed or restricted management type investment trust, of a partner in a firm registered on the exchange, even though such partner is not himself a member, will be regarded as association on the part of the registered firm with such investment trust. In cases, however, where such association of a nonmember partner of a registered firm is confined to a directorship in a depositor corporation and where no other member of the firm is connected in any capacity with the investment trust, consideration will be given to the facts and circumstances which should be set forth in writing. In the discretion of the committee on stock list, an exception to the general rule may be made in such cases.

Dealing in the certificates of a fixed or restricted management type investment trust in the execution of unsolicited orders solely as a broker or over the counter will not be regarded as an association with such an investment trust or as bringing a member within the foregoing rules, provided no commission or dealers' profit is received, directly or indirectly, from the investment trust or the depositor corporation.

Under the statement and requirements recently sent out it will be necessary for all investment trusts of the fixed or restricted management type desiring to retain the association of a member or firm registered on the exchange to make application to the committee on stock list, irrespective of whether or not information concerning such trust has heretofore been filed with any committee of the exchange and irrespective of the previous action of any committee of the exchange.

The requirements, including instructions regarding the application and agreement to be submitted, have been prepared and are now available for distribution.

Members are urged to bring this matter promptly to the attention of fixed and restricted management type of investment trusts with which they are or plan to become associated.

For the time being, the existing requirement that members must submit for approval all documents relating to management type investment trusts in the organization or management of which they participate will be continued, except that in the future all such documents shall be submitted to the committee on stock list instead of to the committee on business conduct as heretofore.

Adopted May 20, 1931.

REQUIREMENTS FOR FIXED OR RESTRICTED MANAGEMENT TYPE INVESTMENT TRUSTS WITH WHICH MEMBER FIRMS ARE SEEKING AUTHORITY FOR ASSOCIATION IN CONNECTION WITH THEIR ORGANIZATION OR MANAGEMENT OR WITH THE DISTRIBUTION OF THEIR SECURITIES

The New York Stock Exchange is not prepared to express any opinion regarding the soundness of the principles underlying the formation of investment trusts of the fixed or restricted management type. It recognizes the wide popularity of such vehicles of investment and the fact that its members, whose business is dealing in securities, may properly enter into association with such investment trusts or their sponsors either in their formation, management, or the distribution of their securities, provided that the set-ups of such trusts do not contain provisions which in themselves appear to operate to the detriment of those who invest in their securities, and further provided that the information afforded to the public in connection therewith is not such as to be misleading or conceal pertinent facts.

It should be fully understood, however, that the matters to be passed upon in this connection by the committee on stock list will have to do only with the question of trust provisions and of publicity which might tend to mislead the public, and will not be concerned with the question of the soundness of the idea behind trusts of the fixed or restricted management type.

The committee on stock list is now prepared to pass on the question of whether a given fixed or restricted management type investment trust is one with which the association of a member or firm registered on the exchange appears to be unobjectionable. The right to amend these requirements without notice is reserved.

In order to qualify in this category fixed or restricted management type investment trusts must make application to the exchange and enter into an agreement with the exchange in the form prescribed by the committee on stock list.

APPLICATION

An application concurred in or sponsored by a member of the exchange or a member firm must be submitted in 12 printed copies. It must contain a suitable opening paragraph requesting the stock exchange to determine whether the applicant is a fixed or restricted management type Investment Trust with which the association of a member or firm, in connection with its organization or management or with the distribution of its securities, appears to be unobjectionable.

Thereafter it should give the following information :

1. Name of depositor corporation.
2. Date of organization of depositor corporation.
3. Names of the officers and directors thereof.
4. Date of execution of trust agreement and of initial public offering.
5. Name of trustee.
6. Number of shares or trust certificates, if any, outstanding in the hands of the public.
7. Details of composition of a unit and number of trust certificates evidencing participation therein.
8. A clear statement in regard to the following facts :
 1. Whether the indenture or trust agreement provides that all of the property forming part of the trust must be treated by the trustee as trust property, with a description of any exceptions.
 2. Statement of the period after termination of the trust during which unclaimed funds must be retained by the trustee.
 3. Statement of provisions in regard to giving notice to the beneficiaries as to termination of the trust.
 4. Statement of the conditions under which individual trust certificate holders may terminate the trust as regards certificates owned by them.
 5. A statement as to any of the duties and obligations ordinarily assumed by a trustee of a personal trust under a deed which are delegated to others than the trustee, or in regard to which the trustee may receive instructions from others, naming the persons or institutions who may thus influence the management of the trust.
 6. A statement as to whether the trustee assumes full responsibility for the determination of the market value of the deposited property in connection with the surrender or maturity of trust certificates; whether it assumes responsibility for the determination of the genuineness and validity of the deposited securities; whether it assumes the responsibility of determining the time, place, and manner in which eliminated securities shall be sold; whether it assumes the responsibility of determining the time, place, and manner in which additional securities shall be purchased, if the proceeds of eliminated or other property are to be reinvested; and whether it assumes full responsibility for the validity of the certificates issued by it.
 7. A concise statement of the provisions for giving certificate holders the right to exercise a vote as to their interest in deposited securities.
 8. A statement of the method in which stock dividends, rights, and split ups will be treated and, if of the distributive type, a statement of the method of distribution of amounts received from eliminations not available for reinvestment.
 9. A statement of any provisions granting any right of extension of the trust.
 10. A summary of any provision in the trust agreement as to matters in which the depositor or the trustee may be entitled to rely upon opinion of counsel.
 11. A clear statement in narrative form summarizing all charges made against holders of trust certificates to cover expenses and profits of either the trustee or the depositor corporation.

This should include all loading charges at time of distribution, with a statement as to the basis of costs to which such loading charges are applied and the percentage of such loading charges to the value of the underlying trust property as of the date of application, also a statement of any maintenance charges which may be deducted from distributions during the life of the trust, relating such charges, in terms of percentages, both to the value of the underlying trust property as of the date of application and to the income therefrom on the basis of current cash distributions received upon securities and property held. If such maintenance charges assume the form of crediting to either the trustee or the depositor corporation the interest upon a reserve fund and/or distributable cash, if any, this fact must be stated and must be accompanied by an estimate as nearly as may be made of the percentage relation of such interest to the value of the underlying trust property as of the date of application, and also of the percentage relation to the current cash income, as above described.

If any charge is made against certificate holders at the time of surrender of certificates and termination of the trust, whether such termination occurs at the instance of the certificate holder or otherwise, the amount of such charge must be stated, expressed in terms of its percentage relation to the value of the underlying trust property as of the date of application. Any other direct or indirect charges or deductions must be included in this statement where the nature of the charge permits the expression of this ratio.

12. A statement of any provisions covering elimination of the deposited securities, as well as of all provisions providing for substitutions.

13. A description of the reserve fund, if any, together with the amount thereof per trust certificate outstanding at the time of the application.

14. A description of the method by which continuing maintenance charges are to be met throughout the life of the trust.

The application in question should include agreements with the exchange in the following form:

In consideration of the determination by the New York Stock Exchange that ———, a fixed or restricted management type investment trust, is one with which the association of a member of the exchange or a firm registered thereon, in connection with its organization or management or in connection with the distribution of its securities, is unobjectionable, the undersigned depositor corporation on its own behalf and for said Investment Trust agrees with the New York Stock Exchange as follows:

1. To instruct the trustee to furnish to the committee on stock list of the New York Stock Exchange periodical monthly reports of the number of trust certificates outstanding and a list of eliminations and changes in the portfolio as such eliminations or changes occur, with complete details of such transactions.

2. To submit to the committee on stock list for approval, prior to issuance, all offering circulars and advertisements of like nature to be used by it or any distributor under its control, together with such other advertisements and descriptive literature as may be from time to time requested.

3. To conform in all respects to the requirements of the New York Stock Exchange as such requirements existed at the time of application excepting in so far as such investment trust and depositor corporation, or either of them, may have been relieved therefrom in cases where the trust in question was formed and the terms of its trust agreement fixed prior to the adoption by the New York Stock Exchange of such requirements.

4. Not to permit any distributor of the securities of said investment trust or anyone subject to the control of the depositor corporation, to advertise or to issue circulars in any way contrary to the rules or regulations of the New York Stock Exchange, and specifically not to include, either in advertisement or circular, any statement tending to suggest that said investment trust has been approved in any manner by the New York Stock Exchange.

5. In the event of changes in the requirements of the New York Stock Exchange covering fixed or restricted management type investment trusts, to cooperate in complying therewith to any reasonable degree permitted by the terms of the trust agreement.

6. Not to change the method of loading, the method of computing cost of deposited property, or the method of determining price, from the methods stated in the application, in such manner as to create an increase in such loading, cost or price, without the prior approval of the committee on stock list.

7. In the event that the committee on stock list shall at any time hereafter and for any reason which, in its uncontrolled discretion, it shall deem sufficient,

change its determination that said investment trust is one with which the association of a member of the exchange or a firm registered thereon in connection with its organization or management or in connection with the distribution of its securities is unobjectionable, the undersigned depositor corporation hereby waives and releases any right or claim which it might or could have against said committee on stock list and the New York Stock Exchange by reason of such change of determination, provided that before said determination shall be changed said committee on stock list shall upon seven days' notice in writing afford the undersigned depositor corporation an opportunity to be heard.

FEEs

For the consideration of applications prepared as outlined above, a fee of \$2,500 will be charged, which fee must accompany the application. In the event of applications being disapproved, there will be rebated to the applicant such portion of the fee as the committee in its discretion may determine. For the work entailed in connection with the consideration of advertisements and circulars, a fee may be charged which will not be in excess of \$10 per advertisement or circular except in unusual circumstances.

DOCUMENTS TO ACCOMPANY APPLICATION

With each application the following documents in duplicate must be submitted to the committee on stock list:

Charter of corporation.

By-laws of corporation.

Trust agreement or similar contract.

All other agreements affecting the trust.

Offering circular.

Make-up or price sheet.

Important advertisements issued within the last six months.

Advertisements, of a nature similar to offering circulars, in contemplation for issuance.

Balance sheet and income statement of the depositor corporation.

STATEMENT OF POLICY

In considering applications, the following principles will govern the committee on stock list.

STATEMENT AS TO TYPE OF TRUST

Neither the title of the trust, nor any descriptive literature used in regard thereto by the depositor corporation, members of the exchange, or agencies under the control of either, may contain words which inaccurately describe the nature of the trust. In this connection, neither the term "Fixed," nor any compound, nor derivative thereof, shall be used to describe an investment trust in which substitutions of securities may be made; a trust may not be described as being of the restricted management type, or other similar words, if neither the trustee nor the depositor corporation may eliminate securities (other than those resulting from split-ups or stock dividends) excepting under some fixed formula on the one hand, nor if either the trustee or the depositor corporation has a wide discretion in eliminations or substitutions on the other hand. Investment trusts may not be described as being of the management type without qualification if there are serious restrictions upon the elimination or substitution of securities.

Diversification.—A reasonable degree of diversification will be considered essential.

CONCERNING THE DUTIES OF THE TRUSTEE

Appointment of trustee.—Only a bank or trust company organized and existing under a State banking law or a national banking association incorporated under the laws of the United States, having trust powers, may act as trustee.

All assets to be treated as trust property.—All of the property in which the holders of the trust certificates have a beneficial interest, including cash however received, must be treated by the trustees in a manner similar to property held under a personal deed of trust.

Provisions in regard to termination.—Upon the termination of the trust, unclaimed funds should be retained by the trustee and proper provision in regard to giving notice to the beneficiaries by mail, if the certificates are registered, and by publication, if they are in bearer form, should be included in the indenture.

The trust agreement must provide for the termination of the trust as to any individual trust certificate upon reasonable terms and upon reasonable notice from its holder. If, upon such termination, part of the deposited securities must be liquidated, not only must all fees in connection therewith be reasonable, but the brokerage commission deductible from the amount payable to the certificate holder shall not exceed, on listed securities, the commissions prescribed by the constitution of the New York Stock Exchange as the minimum which may be charged to nonmembers, and for unlisted securities the commission customarily payable on similar transactions.

Administration of the trust property.—The duties and obligations assumed by the trustee must be similar to the duties and obligations of a trustee of a personal trust under a deed, and the trustee may not delegate any of its duties to others unless the offering advertisement and circular clearly and prominently describe the nature of the powers delegated and the persons by whom such powers will be exercised.

The following duties should be performed by the trustee:

(1) The determination of the market value of the deposited property in connection with the surrender or maturity of trust certificates.

(2) The determination of the genuineness and validity of deposited securities.

While the committee greatly prefers to have the following duties performed by the trustee:

(1) The determination of the time, place, and manner in which eliminated securities shall be sold.

(2) The determination of the time, place, and manner in which additional securities shall be purchased, if the proceeds of eliminated or other property are to be reinvested; complications which may arise because of existing agreements will be given due weight.

No provision shall relieve the trustee of responsibility for the genuineness of the certificates issued by the trustee.

The trust agreement should provide or the trustee should agree that in all practicable cases sales and purchases of securities will be made through a recognized exchange and that delivery of and payment for securities eliminated or substituted will be between the trustee and the broker or dealer.

Voting power.—Trust agreements, or agreements supplementary thereto, must provide that in each case where a trust certificate holder would be entitled, upon termination of the trust, to receive certificates for one or more full shares of deposited stock having a vote, there will be issued to him, upon request, an assignable proxy covering the number of full shares represented by his equity, excepting in approved cases where definite instructions as to the manner in which such shares must be voted in certain contingencies are prescribed in the trust agreement. No objection is made to the voting by the depositor or by the trustee of any deposited shares for which such proxies have not been requested. The depositor corporation should note that, in view of the fact that the right to vote may affect the nature of the deposited security in respect of which the vote is exercised, trust indentures may have to provide that the certificate holder who has destroyed the uniformity of his interest in the trust by exercising his right to vote shall be deemed to have terminated the trust in regard to his certificates.

As an alternative to the foregoing, the committee will approve an agreement by the depositor corporation providing that in any case where a substantial controversy has arisen between two or more opposing groups of stockholders of a company whose stock is held in the trust, or a substantial issue exists in connection with which the interests of certificate holders require that they be permitted to direct the voting of such stock, each certificate holder shall be entitled to file written instruction with respect to the voting of the stock held in the trust. Such stock shall be voted proportionately in the manner directed by the several certificate holders, the depositor corporation, or the trustee, as the case may be, retaining the right to direct the vote of such proportion of the stock as shall not be allocable to certificate holders exercising this right to

vote. In all cases where, in the judgment of the trustee or of the depositor corporation, the result of the vote may affect the nature, identity, or rights of the deposited stock, all of such stock held in the trust shall be voted as a unit in accordance with the instructions controlling a majority of the deposited stock. A substantial controversy or issue shall be deemed to exist when so determined by the depositor corporation, the trustee, or the New York Stock Exchange, acting through any of its committees.

Distribution or investment of proceeds of eliminated property.—All amounts received from eliminations and not available for reinvestment, with the exception of fractional amounts, must be distributed within a reasonable time.

Extension of trust.—If the trust agreement grants any right of extension, the fact must be stated in the offering circular.

Opinion of counsel.—Neither the depositor nor the trustee may be entitled to rely in any matter affecting the holders of trust certificates upon the opinion of counsel excepting in purely legal matters.

Continuing maintenance charges.—A reasonable method must be provided by which continuing maintenance charges are to be met throughout the life of the trust. If these charges are to be paid by the depositor corporation, reasonable assurance of its ability to meet them must be given.

Regarding trust agreements formulated prior to the issuance of these requirements.—As to trust agreements formulated and in effect prior to the issuance of these requirements under conditions not permitting change, the committee may make such reasonable adaptations as it may determine to be in conformity with the general spirit and object hereof.

CONCERNING THE OFFERING CIRCULAR

Loadings, charges, and deductions.—The lading charges and other factors entering into the aggregate load must be expressed so clearly that the investor will be able to determine the relation between it and the value of the underlying property. For this purpose and for the purpose of the application, the value of the underlying property shall consist of the actual market value of the underlying securities, at the date of issuance of circular, or application, at not more than odd-lot prices, determined in the manner customary on the New York Stock Exchange, which, in the case of active listed stocks, would be determined by adding the fraction normally charged by odd-lot houses to the actual market transactions in the securities involved, or by using the asked price without the addition of any fraction, plus commission at not to exceed, for listed securities, the commissions prescribed by the constitution of the New York Stock Exchange as the minimum which may be charged to nonmembers, and for unlisted securities the commissions customarily payable on similar transactions.

The following are among the factors which the committee consider elements in the loadings, charges, and deductions:

(a) A percentage for expenses and profits to be added to the value of the underlying property as above defined. While distributable accretions form a proper element for inclusion in the offering price, no loading percentage may be added thereto, excepting so much, if any, as may be necessary to cover approximate expense of distribution of proceeds of eliminations.

(b) Any periodical charge. This must be stated as a percentage of the current annual income, and may also be stated as a percentage of the value of the underlying property as above defined. In determining the amount of current annual income, there shall be included only cash dividends at the rate currently payable, and interest receivable at current rates. If interest on any cash forming part of the deposited property or accumulations does not accrue to the certificate holders, the amount of interest shall be deemed to be part of the periodical charge.

(c) Any charge which may be assessed against the trust certificate holder at the time of surrender of his certificates and termination of the trust, whether at the instance of such certificate holder or otherwise, under the terms of the trust agreement.

Statement of the amount of loading.—The aggregate amount of the loading in excess of the value of the underlying property as hereinbefore defined must be stated in terms of percentage of such value at date of issuance of circular. The aggregate amount of any periodical charges must be stated as a percentage of the current annual income as hereinbefore defined. The amount of any termi-

nation charge under any conditions must be stated as a percentage of the value of the underlying property at date of issuance of circular.

Determination of offering price.—The offering price shall be the sum of—

(1) The market value as hereinafore defined of the underlying property; (2) the load described in paragraph (a) above; and (3) the amount of distributable accretions.

In the case of certificates originally offered for \$1 or less per certificate the offering price may be increased to the next higher cent, if such sum results in a price per certificate which includes a fraction of 1 cent.

In the case of certificates originally offered for more than \$1 and less than \$5 per certificate the offering price may be increased to the next higher twentieth of a dollar, if such sum results in a price per certificate which includes a fraction of one-twentieth of a dollar.

In the case of certificates originally offered for \$5 or more per certificate the offering price may be increased to the next higher one-eighth of a dollar, if such sum results in a price per certificate which includes a fraction of one-eighth of a dollar.

Eliminations and substitutions.—The offering circular shall have a clear summary of the provisions covering elimination of the deposited securities, as well as of all provisions providing for substitutions.

Reserve fund.—There must be a statement whether a reserve fund has been deposited in addition to the deposited securities. If there is such a fund the amount thereof per trust certificate outstanding at the time of issuance of the circular must be stated together with a statement that this amount is subject to fluctuation and that information as to the amount included in the price charged any purchaser will be given upon request.

Method of making distributions.—There must be a statement as to whether the trust is of the cumulative, partial distribution, or maximum distribution type, and the method in which stock dividends, rights, and split-ups will be treated must be fully described.

Voting rights.—There must be a clear statement as to the manner and conditions upon which a trust certificate holder may exercise voting rights.

Past experience.—No statement or computation may be included tending to reflect results, either as to market valuation or as to distributions, which would have been obtained if an investment had been made in the securities comprising the portfolio at any period prior to its creation. Any statement or computation of this character for periods after the creation of the trust in question must go back to the beginning of the trust, and must show the result by years since such creation.

CONCERNING ADVERTISEMENTS

Advertisements containing any of the information usually included in the offering circular must include no less than the following in substantially the same form in which similar information is contained in offering circulars.

- (1) Statement of the amount of loading.
- (2) Statement of determination of offering price.
- (3) Statement of periodic charges.
- (4) Provisions in regard to eliminations and substitutions.
- (5) Method of making distributions.
- (6) Voting rights.

No statement which is considered objectionable in the circular may be included in the advertisement.

FURTHER DEFINITION OF POLICY

The foregoing statement of policy deals with the position of the committee in reference to certain determinable facts. It would be easy to overemphasize the relative importance of such facts. The composition of the portfolio of underlying securities, for instance, or the nature of the elimination provisions, may easily be the most important factors in the suitability of the trust for the needs of a particular investor. The action of the committee, in determining that the association of members of the exchange with any particular investment trust is not objectionable, should in no event be construed as an expression of opinion in regard to the intrinsic value of such trust or its desirability as an investment.

EXHIBIT No. 31, APRIL 21, 1932

(See p. 286, this hearing)

CERTAIN CIRCULARS REGARDING ADVERTISING BY COMMITTEE ON BUSINESS CONDUCT, NEW YORK STOCK EXCHANGE

NEW YORK STOCK EXCHANGE

COMMITTEE ON BUSINESS CONDUCT

NOVEMBER 6, 1930.

To members of the exchange:

Many investment-trust agreements contain provisions to the effect that interest on dividends and other moneys received as part of the trust property is not to be treated as part of the income accruing to the benefit of the holders of the investment-trust certificates.

The committee on business conduct rules that all members distributing the securities of such investment trusts must plainly state in all publicity matter, including advertisements, the fact that the beneficiaries of such trusts are not entitled to such interest.

ASHBEL GREEN, *Secretary.*

NEW YORK STOCK EXCHANGE

COMMITTEE ON BUSINESS CONDUCT

NEW YORK, February 27, 1930.

To the members:

The rules of the exchange dealing with the forms of advertisements of members are embraced in sections 1 and 2 of Chapter VIII of the rules adopted by the governing committee pursuant to the constitution and read as follows:

"SECTION 1. No member shall publish an advertisement of other than a strictly legitimate business character.

"SEC. 2. Every advertisement of a member, unless it is in a general form approved by the committee on business conduct, must, before publication, receive the approval of said committee."

You will note that it is provided that a proposed advertisement in a general form that has been approved by the committee may be published without first being submitted. It is the ruling of the committee on business conduct that, subject to the policy with respect to listed securities which is outlined below, the following types of advertisements come under this general description:

1. An ordinary business card;
2. A simple and direct offering of a particular security (which must be named and not take the form of a so-called "blind" advertisement); and
3. A syndicate offering of securities of a corporation; provided, first, that the security advertised is not that of a corporation in a prospective state; second, that no prediction of any kind is made in the offering; third, that no statement is made of what past earnings would have been under any assumed conditions that did not exist at the time; and, fourth, that no reference is made to any contemplated application to list the security on this exchange.

In order to expedite the work of the committee on business conduct all proposed advertisements requiring approval before publication must be submitted in duplicate, one copy to be retained by the committee for its files and the other to be returned with its decision.

Policy of the committee on business conduct and of the committee of arrangements with respect to advertisements of listed securities, formulated under section 3 of Chapter VIII of the rules adopted by the governing committee pursuant to the constitution, which reads as follows:

"SEC. 3. Every advertisement of a member offering to make purchases or sales of listed securities must, before publication, in addition to the approval required by section 2, receive the approval of the committee of arrangements."

Offerings may be advertised in securities assigned to the bond cabinets and the inactive stock list. In such advertising the securities must be offered "at the market to yield about _____ per cent."

Subject to the exception stated in the succeeding paragraph, active listed stocks and bonds—i. e., those not classed as above—may be advertised by giving their names without any accompanying text except the phrase "Circular on request," to which may be added a description in general terms of the contents of the circular provided the effect of the language used in the advertisement is not to laud the affairs or prospects of the corporation concerned. This phrase "Circular on request" must be employed in advertisements of bonds falling under this heading. Inactive listed securities may, of course, be advertised in the manner outlined for active listed stocks.

An exception to these rules is made, however, in the case of securities of original issue, which may be advertised at a price by participants in the syndicate during its existence. Scrip and fractional amounts of one share may also be advertised at a price.

When rights are admitted to dealing they shall be treated on the same basis as listed securities for advertising purposes.

Advertisements of the above character in which offerings are made must be submitted to the committee on business conduct before publication.

When offerings are permitted, members must maintain the same market on the floor of the exchange as they make over the counter.

ASHBEL GREEN, *Secretary.*

NEW YORK STOCK EXCHANGE
COMMITTEE ON BUSINESS CONDUCT

NEW YORK, *January 20, 1930.*

To members of the exchange:

To avoid the possibility of violating the statutes of the various States affecting dealings in securities, the stock exchange can not overemphasize the importance of members completely informing themselves with regard thereto so that they may strictly adhere to the regulations set forth in the pertinent laws of each State in which they conduct business or advertise securities for sale.

ASHBEL GREEN, *Secretary.*

NEW YORK STOCK EXCHANGE
COMMITTEE ON BUSINESS CONDUCT

NEW YORK, *September 12, 1929.*

To members of the exchange:

In all cases where members of the exchange are contemplating organizing and publicly offering the securities of an investment trust, the committee on business conduct directs that the advertisement and circular and also a copy of the charter and by-laws of the proposed corporation, and any management or other similar contracts, be submitted to the committee in duplicate prior to the date of offering. Inasmuch as the committee may require changes in these documents before the advertisement of the issue is approved, all members contemplating the issue or offering of investment trust securities are urged to submit their plan in detail to the committee at the earliest possible moment.

ASHBEL GREEN, *Secretary.*

NEW YORK STOCK EXCHANGE
COMMITTEE ON QUOTATIONS AND COMMISSIONS

JULY 29, 1929.

At a meeting of the committee on quotations and commissions held on July 18, 1929, the following regulations with respect to radio broadcasting were adopted:

1. Members desiring to broadcast quotations of this exchange by radio must first receive written approval from the committee on quotations and commissions.

2. Permission may be given to more than one firm in the same city.

3. Permission to broadcast quotations of this exchange shall be limited to the prices at the opening, 12 noon, and the closing, and such broadcasting of those

quotations shall be made only at 10.30 a. m., 12.30 p. m., and after the close, respectively (New York time).

4. No market information or gossip may be broadcasted. This does not include statements as to money rates and official announcements regarding action by Federal reserve authorities, which must be quoted verbatim without interpretation or comment.

5. No announcement may be made further than the simple statement that the quotations are supplied through the courtesy of the firm furnishing them.

6. The committee shall be notified when the recipient of the privilege discontinues the use thereof.

7. Permission to broadcast may be withdrawn by the committee at any time.

ASHBEL GREEN, *Secretary.*

NEW YORK STOCK EXCHANGE

SECRETARY'S OFFICE

NEW YORK, June 22, 1928.

To the members of the exchange:

The attention of the members is called to the fact that, under a recent amendment to section 82 of the executive law of the State of New York, beginning July 15 next and on the 15th day of each month thereafter, the department of state at Albany is directed to publish a monthly bulletin to be known as the State Advertising Bulletin which is to take the place of the publication formerly known as the State Paper, which has been abolished.

All security dealers' notices required to be filed under the so-called Martin Act are, on and after July 15 next, to be filed with the department of state at Albany for publication in the State Advertising Bulletin pursuant to an amendment to article 23-a of the general business law.

Copies of the State Advertising Bulletin may be obtained without charge by any person, by filing with the department of state at Albany before July 15 next, a request that copies of said bulletin be mailed to such person.

ASHBEL GREEN, *Secretary.*

NEW YORK STOCK EXCHANGE

COMMITTEE ON BUSINESS CONDUCT

NEW YORK, January 30, 1928.

To the members:

The committee on business conduct understands that a rule recently promulgated by the New York Curb Market requires the submission to it of certain types of advertising covering securities listed or admitted to unlisted trading privileges thereon.

Where such an advertisement is of a character which must receive the approval of the committee on business conduct of this exchange before publication, the committee requests that the advertisement be first referred to the New York Curb Market, and, if favorably acted upon, to this committee. The letter to this committee which accompanies such an advertisement should carry the statement that it has been approved by that institution.

EL. V. D. COX, *Secretary.*

NEW YORK STOCK EXCHANGE

COMMITTEE ON BUSINESS CONDUCT

OCTOBER 5, 1927.

To the members of the exchange:

The special attention of members is invited to the second paragraph of section 8 of Chapter XIII of the rules adopted by the governing committee pursuant to the constitution of the exchange, reading as follows:

"No member shall make use of wireless to transmit or broadcast market information or forecasts of business, or financial conditions or for any advertising purpose, or to stimulate interest in particular securities or in the market: *Provided, however,* That members may supply quotations to broad-

casting stations which have been approved by the committee on quotations and commissions at such intervals and under such regulations as are prescribed by said committee."

Very truly yours,

E. V. D. Cox, *Secretary.*

NEW YORK STOCK EXCHANGE
COMMITTEE ON BUSINESS CONDUCT

NEW YORK, *April 23, 1927.*

To the members:

Whenever a nonmember for whom you transact business contemplates giving publicity to his business relation with you in an advertisement or any other printed matter, the committee on business conduct directs that such advertisement or other printed matter be submitted to it by you before being used. Nonmembers having stationery coming within this category may continue to use the same until the approval of the committee can be secured.

This rule should be brought to the attention of the nonmembers mentioned above, and for this purpose additional copies of this circular can be obtained at the secretary's office.

E. V. D. Cox, *Secretary.*

NEW YORK STOCK EXCHANGE
COMMITTEE ON QUOTATIONS AND COMMISSIONS

MARCH 2, 1925.

Hereafter any newspaper advertisements seeking the services of so-called customers' men or of managers or employees in the other offices of members must be signed by the full name of the member or his firm.

By order of the committee on quotations and commissions.

E. V. D. Cox, *Secretary.*

NEW YORK STOCK EXCHANGE
COMMITTEE ON BUSINESS CONDUCT

NEW YORK, *December 9, 1924.*

To members of the exchange:

Whenever a nonmember individual, firm, corporation, or association for whom you transact business proposes to use your name in an advertisement, the committee on business conduct requests that before you grant permission to the nonmember to publish such advertisement it be submitted to the committee.

This request is, of course, as equally applicable to current advertising as to future advertising.

E. V. D. Cox, *Secretary.*

NEW YORK STOCK EXCHANGE
COMMITTEE ON BUSINESS CONDUCT

NEW YORK, *November 27, 1922.*

To the members:

Referring to Circular C-11, issued by the committee on business conduct on December 9, 1921, on the subject of advertising, in which syndicate offerings of securities are designated as being in a general form not requiring submission to the committee, the committee now amends this ruling to the extent that syndicate advertisements of securities of a corporation still in a prospective state shall be submitted to the committee before publication.

In the same circular members were advised that a simple and direct offering of a particular security also need not be submitted for approval. Such an advertisement, however, must always give the name of the security referred to, it being the intention of the committee that so-called blind advertisements shall not be published by members.

E. V. D. Cox, *Secretary.*

STOCK EXCHANGE PRACTICES

NEW YORK STOCK EXCHANGE

COMMITTEE ON BUSINESS CONDUCT

MARCH 20, 1922.

To the members:

The attention of the committee on business conduct has been called from time to time to advertisements of nonmember correspondents of members that involve New York Stock Exchange firms.

I am instructed to request that any advertising of your correspondents which may include your name be subject to your supervision prior to publication.

Yours very truly,

E. V. D. Cox, *Secretary.*

NEW YORK STOCK EXCHANGE

COMMITTEE ON BUSINESS CONDUCT

DECEMBER 9, 1921.

To the members:

I am instructed by the committee on business conduct to call to your attention the following resolutions regarding advertising adopted by the governing committee on November 23, 1921, to take effect December 15, 1921:

"That the resolution of the governing committee of April 26, 1916, reading as follows: 'That it is the opinion of the governing committee that, under the resolution of February 9, 1898, no member, or his firm, is permitted to use "catch phrases" or to depart in any way from direct and simple methods of advertising,' be rescinded, and that the following be adopted:

"That no member of the exchange and no firm represented thereon shall publish any advertisement unless either it is in a general form that has been approved by the committee on business conduct or it has been submitted to said committee and approved by it."

You will note that it is provided that a proposed advertisement in a general form that has been approved by the committee may be published without first being submitted. It is the opinion of the committee that at this time such advertisements as syndicate offerings of securities or a simple and direct offering of a particular security by a firm or individual, or ordinary business cards come within this general description.

In order to expedite the work of the committee on business conduct, all other proposed advertisements must be submitted in duplicate, one copy to be retained by the committee for its files and the other to be returned with their decision.

E. V. D. Cox, *Secretary.*

EXHIBIT No. 32, APRIL 21, 1932

(See p. 286 of this hearing)

Illustrative instances of ownership of listed stocks by other companies the stocks of which are also listed

Listed company	Owns shares of—	Date	Number of shares owned	Number of shares listed	Per cent
Anaconda Copper Mining Co.	Andes Copper Mining Co.	Apr. 15, 1932	3,496,127	3,582,379	97.5
	Chile Copper Co.		4,384,914	4,415,503	99.3
	Greene Cananea Copper Co.		490,344	499,915	98.0
E. I. DuPont de Nemours & Co.	General Motors Corporation (common).	Dec. 31, 1931	9,981,220	43,500,000	22.9
General Theatres Equipment.	Fox Film Corporation (class A).	.....do.....	1,221,213	2,425,660	50.3
Pierce Oil Corporation.....	Pierce Petroleum Corporation.	.....do.....	1,103,419½	2,500,000	44.1
Pierce Petroleum Corporation.	Sinclair Consolidated Oil Corporation (common).	.....do.....	645,834	6,103,373	10.6
United Aircraft & Transport Corporation.	National Air Transport.	Apr. 15, 1932	634,782	650,000	97.6

Illustrative instances of ownership of listed stocks by other companies the stocks of which are also listed—Continued

Listed company	Owns shares of—	Date	Number of shares owned	Number of shares listed	Per cent
General Electric Co.-----	Radio Corporation of America (common).	Dec. 31, 1930	5, 188, 755	13, 129, 757	39. 5
	(International Paper & Power Co.):				
	Class A.-----	Dec. 31, 1931	50, 000	1, 000, 046	5. 0
	Class B.-----	do-----	196, 400	1, 000, 000	19. 6
Continental shares (Inc.)----	Class C.-----	do-----	335, 700	2, 500, 000	13. 2
	Youngstown Sheet & Tube Co.	do-----	66, 896	1, 186, 184	5. 6
	Firestone Tire & Rubber Co.	do-----	156, 200	2, 250, 000	6. 9
	B. F. Goodrich & Co.	do-----	113, 900	1, 167, 142	9. 8
Petroleum Corporation of America.	Goodyear Tire & Rubber Co.	do-----	381, 205	1, 371, 433	27. 5
	Prairie Oil & Gas Co.	do-----	583, 700	2, 441, 432	23. 9
	Prairie Pipe Line Co.	do-----	555, 600	4, 050, 000	13. 7
American Telephone & Telegraph Co.	Tide Water Associated Oil Co.	do-----	323, 000	5, 998, 086	5. 4
	Pacific Telephone & Telegraph Co.	do-----	¹ 1, 512, 390	1, 805, 000	83. 79
Brooklyn-Manhattan Transit Corporation.	Brooklyn & Queens Transit Corporation (reference, Fitch Manual).	June 30, 1930	² 640, 427	820, 000	78. 1
			² 1, 526, 440	800, 000	64. 2
North American Co.-----			² 145, 450	288, 250	50. 4
	Detroit Edison Co.	Dec. 31, 1931	³ 240, 163	1, 272, 260	18. 9
	Pacific Gas & Electric Co.	do-----	¹ 2, 075, 455	6, 236, 870	33. 3
	Public Service Corporation of New Jersey.	do-----	988, 271	5, 503, 193	17. 9
United Corporation.-----	The United Gas Improvement Co. (common).	do-----	6, 066, 223	23, 246, 144	26. 7
	Columbia Gas & Electric Corporation (common).	do-----	2, 424, 356	11, 679, 043	20. 7
	Commonwealth & Southern Corporation (common).	do-----	1, 798, 270	33, 978, 340	5. 3
Standard Gas & Electric Co. United Gas Improvement Co.	Consolidated Gas Co. of New York (common).	do-----	203, 900	11, 476, 527	1. 7
	Pacific Gas & Electric.	Dec. 31, 1930	¹ 2, 145, 000	6, 236, 870	34. 3
	Public Service Corporation of New Jersey.	Dec. 31, 1931	¹ 2, 017, 490	5, 503, 193	36. 7

¹ Common.

² Preferred.

³ Capital.

Railroad stocks listed on New York Stock Exchange

Listed company	Owned company	Date	Number of shares owned	Number of shares listed	Per cent
Alleghany Corporation.-----	Chesapeake Corporation	Dec. 31, 1931	¹ 1, 267, 300	1, 799, 745	70. 4
	Erie Railroad Co.	do-----	¹ 215, 000	1, 511, 167	14. 2
	Missouri Pacific R. R. Co.	do-----	¹ 219, 300	718, 001	30. 5
Atlantic Coast Line R. R. Co.					
	New York, Chicago & St. Louis R. R. Co.	do-----	¹ 534, 500	828, 395	64. 5
	Pere Marquette Ry. Co.	do-----	¹ 167, 300	319, 544	52. 3
Baltimore & Ohio R. R. Co.	Fittston Co.	do-----	1 46, 200	450, 460	10. 3
	Louisville & Nashville R. R. Co. (common).	Dec. 31, 1930	¹ 496, 240	1, 075, 100	46. 1
	Reading Co. (common) (reference, Moody's Manual):	do-----	596, 700	1, 170, 000	51. 0
Chesapeake Corporation.-----					
	Western Maryland R. R. (common).	do-----	548, 700	1, 400, 000	39. 2
	Chesapeake & Ohio Rwy. Co.	Dec. 31, 1931	4, 094, 008	7, 656, 020	53. 4
Chesapeake Corporation.-----	Pere Marquette Rwy. Co.	do-----	27, 500	450, 460	6. 1
	Erie Railroad Co.	do-----	69, 000	1, 511, 167	4. 6

¹ Common.

Preferred.

Railroad stocks listed on New York Stock Exchange—Continued

Listed company	Owned company	Date	Number of shares owned	Number of shares listed	Per cent
Pennsylvania R. R. Co.	New York, New Haven & Hartford R. R. Co. (common).	Dec. 31, 1930	265,025	1,571,186	16.8
	Pittsburgh, Fort Wayne & Chicago Ry. Co. (common).	.....do.....	757,820	868,128	87.3
New York Central Railroad Co.	Cleveland, Cincinnati, Chicago & St. Louis (reference Moody's Manual):				
	Common	.....do.....	462,645	470,288	98.4
	Preferred	.....do.....	85,166	100,000	85.1
	Michigan Central	.....do.....	186,081	187,364	99.3
	New York & Harlem R. R. Co. (common)	.....do.....	111,988	172,773	64.8
	Reading Co.:				
New York, New Haven & Hartford R. R. Co.	Common	.....do.....	262,900	1,400,000	18.7
	First preferred	.....do.....	136,800	560,000	24.4
	Second preferred	.....do.....	300,300	840,000	35.7
	New York, Ontario & Western Ry. Co. (common).	Dec. 31, 1931	291,600	1,581,139	50.1
	Baltimore & Ohio R. R. Co. (reference Moody's Manual):				
Union Pacific R. R. Co.	Common	Dec. 31, 1930	62,670	2,563,021	2.4
	Preferred	.....do.....	18,059	600,000	3.0
	Illinois Central R. R.:				
	Common	.....do.....	247,500	1,357,978	18.2
	Preferred	.....do.....	69,750	186,453	37.4
	New York Central R. R. Co.	.....do.....	267,152	4,992,591	5.3
New York, New Haven & Hartford R. R. Co.	Chicago, Milwaukee, St. Paul & Pacific (preferred)	.....do.....	18,450	1,192,388	1.5
	Chicago & Northwestern (common)	.....do.....	44,206	1,584,394	2.8

¹ Common.

EXHIBIT NO. 33, APRIL 21, 1932

(See p. 286 of this hearing)

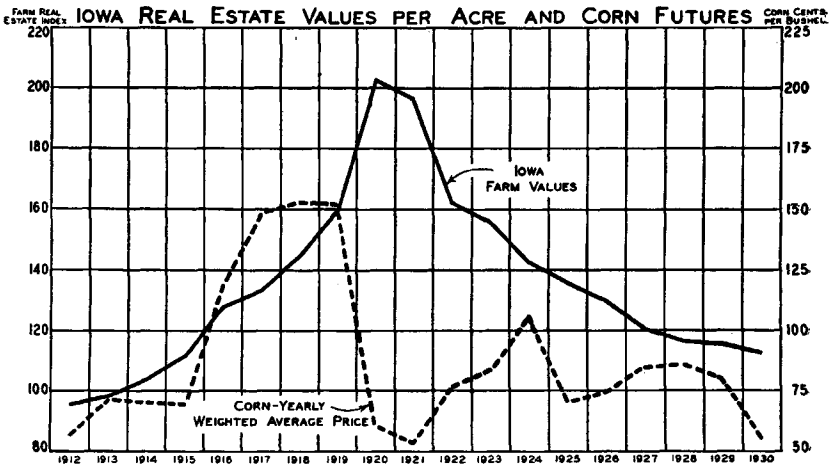


EXHIBIT No. 34, APRIL 21, 1932

(See p. 287 of this hearing)

FORMS OF CONTRACTS BETWEEN CUSTOMERS AND FIRMS REGISTERED ON THE NEW YORK STOCK EXCHANGE COVERING MARGIN ACCOUNTS

The eight forms of margin contracts hereinafter enumerated and attached hereto have been collected at random by the New York Stock Exchange from brokerage firms:

- (a) Margin contract and stock loan authorization used by J. S. Bache & Co.
- (b) Margin contract and stock loan authorization used by Boettcher, Newton & Co.
- (c) Margin contract and stock loan authorization used by Harris, Upham & Co.
- (d) Margin contract and stock loan authorization used by Hemphill, Noyes & Co.
- (e) Margin contract and stock loan authorization used by Hornblower & Weekes.
- (f) Margin contract and stock loan authorization used by Logan & Bryan.
- (g) Margin contract and stock loan authorization used by Paine, Webber & Co.
- (h) Margin contract and stock loan authorization used by Shearson, Ham-mill & Co.

Date -----, 193---

J. S. BACHE & Co.

GENTLEMEN: I request you to open an account for me for the purchase and sale and/or sale and purchase of property (as hereinafter defined), or to continue to carry my present account, and I represent that I am of full age and am not an employee of the New York Stock Exchange or any other exchange or board nor of any member of any such exchange or board, nor of any bank, trust company, banker, or insurance company, nor of any corporation, firm, or individual engaged in the business of dealing, either as broker or as principal in securities or commodities, nor is any such employee directly or indirectly interested in my account, and in consideration of your opening or continuing said account I hereby agree with you as follows:

The word "property" as used herein shall include shares of stock, certificates of shares of stock, scrip certificates, stock warrants or rights, and bonds, notes, debentures, and other evidences of indebtedness, whether secured or unsecured, and the security therefor and other securities of every kind and nature, and commodities and contracts for the future delivery of commodities and all other property usually and customarily dealt in on exchanges, boards, or markets, or by stock brokerage firms. The word "equity" as used herein shall mean the amount by which the market value of all property carried in my account shall exceed the amount of my debit balance or indebtedness, and also any free credit balance that I may have with you.

All transactions for my account shall be subject to the rules and regulations of the exchange, board, or market, and the clearing house thereof, if any, where executed by you or your agents, and subject to the customs and usages of the stock-brokerage business. Only actual purchases and sales are contemplated and intended.

Any and all property at any time held by you for my account and also my equity shall be held by you as security for any and all my indebtedness to you, however arising, and in whatever account appearing, and by whatever name or symbol any such account may be designated, as well as for my contingent liability to you by reason of any guaranty by me of accounts of others.

Whenever I am indebted to you, any and all property held or carried by you in any account for me, either individually or jointly with others, may from time to time and without notice to me, be carried in your general loans and may be pledged, repledged, hypothecated, or rehypothecated or loaned by you either to yourselves as brokers or to others, separately or together with other property for more than the amount due you thereon and without having in your possession or subject to your control for delivery property of the same kind and amount, and you shall at no time be required to deliver to me the identical property delivered to or purchased by you for my account but only property of the same kind and amount.

At any time and from time to time, in your discretion, you may without notice to me apply and/or transfer any or all my property or equity interchangeably between any of my accounts or from any of my accounts to any account guaranteed by me.

Whenever you shall deem it necessary for your protection you may sell from time to time any property which you may carry for me either individually or jointly with others, or you may buy from time to time for my account any property of which I may be short, or you may enter from time to time stop-loss orders against any property that I may be either long or short, and from time to time cancel, withdraw, or change any such stop-loss orders, or make sales or purchases as the case may be at prevailing prices while stop-loss orders are being carried, and any such sales or purchases may be made by you at your discretion either on the exchange or board or other market where such business is then usually transacted or at public or private sale, all without prior demand for additional margin or security, and without prior tender, and without any notice to me of the time or place of sale, all of which are hereby expressly waived. I expressly agree to pay any and all costs and expenses of any such sales or purchases and also to pay any deficiency that may remain thereafter.

No demand, call, tender, or notice which you may make or give in any one or more instances, nor any failure on your part to insist at any time, upon strict compliance herewith, nor any continued course of such conduct on your part, shall in any event constitute or be considered a waiver by you of any of your rights or privileges hereunder.

My account and this agreement and all your rights hereunder may be transferred by you to any successor firm that takes over and continues your business, and all your rights and privileges hereunder shall continue in the event of my death or insanity, and this agreement and its enforcement shall be governed by the laws of the State of New York, and any controversies arising between us shall be determined by arbitration pursuant to the arbitration law of the State of New York, and if we can not agree on an arbitrator, then he shall be appointed by the arbitration committee of the New York Stock Exchange, or if they should fail or refuse to do so, then as provided in said arbitration law of the State of New York.

Witness _____

Signature _____

AUTHORIZATION TO J. S. BACHE & Co.

Dated _____, 193—.

J. S. BACHE & Co.

GENTLEMEN: The undersigned hereby expressly authorizes you to lend either to yourselves for account of other of your customers or to others at any time or from time to time any or all securities now or at any time hereafter held on margin by you for the account of the undersigned. This authorization may be revoked by the undersigned at any time by reasonable notice in writing.

Yours very truly,

AGREEMENT OF CUSTOMER WITH BOETTCHER-NEWTON & Co.

In consideration of Boettcher-Newton & Co. acting as brokers for the undersigned, it is hereby agreed between them as follows:

First, That all transactions shall be subject to the rules and customs of the exchange or market and its clearing house, if any, on which the same are executed.

Second, That Boettcher-Newton & Co. may, at any time without notice thereof to the undersigned, pledge, repledge, hypothecate, or rehypothecate, either separately or with other securities, for the amount due thereon or for a greater amount, any or all of the stocks, bonds, or evidences of debt carried for the account of the undersigned or deposited to secure the same, on which Boettcher-Newton & Co. have a lien, without having in their possession or subject to their control stocks, bonds, or other evidences of debt of the kind and amount to which the undersigned is then entitled.

Third. That whenever the obligations or indebtedness of the undersigned to Boettcher-Newton & Co. shall not be secured to their satisfaction, they may, without notice or demand for margin to the undersigned, sell at any stock exchange or broker's board or at public or private sale or auction, without advertising, any or all securities they hold therefor, and/or Boettcher-Newton & Co. may cover by purchase any short sale made for the account of the undersigned, it being agreed that a prior demand or call or a prior notice of the time and place of such sale or purchase shall not be considered a waiver of the right of Boettcher-Newton & Co. to sell or purchase as herein provided without notice or demand to the undersigned.

Fourth. That the monthly debit balance of the account of the undersigned be charged with interest at the average rate for loans of Boettcher-Newton & Co. during the month covered by such balances, plus any special rate they may have to pay thereon, together with a charge to cover the credit service and facilities afforded the undersigned by Boettcher-Newton & Co.

Fifth. That all notices or communications from Boettcher-Newton & Co. to the undersigned shall be sent to the address herein designated until Boettcher-Newton & Co. receives notice from the undersigned by registered mail that such address has been changed, and that the delivery of notices and communications at such address or such changed address shall be deemed personal delivery thereof to the undersigned.

Sixth. That in all transactions wherein Boettcher-Newton & Co. acts as brokers for the undersigned the undersigned will save Boettcher-Newton & Co. free and harmless from any loss, damage, or liability that may arise out of such transactions, howsoever the same may occur.

Seventh. That this agreement shall continue until revoked by the undersigned in writing and shall be binding upon and inure to the benefit of Boettcher-Newton & Co. and the undersigned and their respective successors, executors, administrators, and assigns, and that a revocation of this agreement by the undersigned shall not affect transactions made prior to the receipt by Boettcher-Newton & Co. of written notice of such revocation.

Eighth. The undersigned hereby represents that he/she is not connected as a clerk or employee with the New York Stock Exchange or any other exchange or with a member of that exchange or any other exchange, and that he/she is not connected as a clerk or employee with any bank, trust company, insurance company, bankers, or with any broker, corporation, or firm engaged in the business of dealing in securities or commodities.

Name _____
Address _____

Approved by Boettcher-Newton & Co.

Accepted by _____

NEW YORK CITY.

DEAR SIR(S) OR MADAM: As a customer of this firm with whom we have entered into a customer's agreement permitting us to loan securities purchased on margin for you, we desire to call to your attention a resolution adopted on February 18, 1932, by the governing committee of the New York Stock Exchange, as follows:

"Whereas it has been stated that customers in some instances do not appreciate that the usual form of customer's agreement permits brokers to lend securities purchased on margin, and it has also been stated that some customers are not aware of the fact that they have the right to revoke any authorization to lend securities which they may have previously given to their brokers; it was

Resolved, That members of the exchange shall not, on and after April 1, 1932, lend, either to themselves as brokers or to others, securities held on margin for customers unless they shall have obtained separate authorization in writing permitting the lending of such securities; it was further

Resolved, That no general form of customer's agreement, even though it includes specifically the right to lend securities, shall be deemed sufficient compliance with this resolution, but such right shall be evidenced by a separate authorization in writing; it was further

Resolved, That in the case of the accounts of all new customers opened after date hereof the requirement of such separate authorization in writing for the lending of securities shall apply; and it was further

Resolved, That the committee on business conduct may, at its discretion, require that members shall at stated periods bring to the attention of all cus-

tomers their right to revoke any authorization theretofore given for the lending of securities."

In accordance with the letter and spirit of this resolution we are attaching herewith a form of authorization which we request that you please read carefully and, if you approve, kindly sign the same and return it to us promptly.

Yours very truly,

BOETTCHER-NEWTON & Co.

SPECIAL AUTHORIZATION TO LOAN SECURITIES

BOETTCHER, NEWTON & Co., *New York, N. Y.*

DEAR SIR: Confirming the written authorization and consent previously given you in the "customer's agreement" heretofore made with you, until you receive contrary notice in writing from the undersigned, you are hereby specifically authorized, from time to time, to loan, either separately or with other securities, to yourself or to such other persons, firms, or corporations, including (but without limiting the foregoing) banks or trust companies as you may determine in your discretion, any securities held by you or in your possession as margin or collateral for the account of the undersigned.

Yours very truly,

Name _____

SPECIAL AUTHORIZATION TO LOAN SECURITIES

Date _____, 193__

BOETTCHER-NEWTON & Co., *New York, N. Y.*

DEAR SIR: Until you receive contrary notice in writing from the undersigned you are hereby specifically authorized, from time to time, to loan either separately or with other securities, to yourself or to such other persons, firms, or corporations, including (but without limiting the foregoing) banks or trust companies as you may determine in your discretion, any securities held by you or in your possession as margin or collateral for the account of the undersigned.

Yours very truly,

Name _____
Address _____
Telephone No. _____

CUSTOMER'S AGREEMENT

HARRIS, UPHAM & Co.:

DEAR SIR: In respect to all accounts which the undersigned now has, or may hereafter have with you or your successors (hereinafter referred to as you) for the purchase or sale of securities or commodities, or contracts for commodities or securities, including any account as guarantor, it is understood and agreed as follows:

Only actual purchases or sales are contemplated, and all orders shall be executed subject in all respects to the regulations and usages of the New York Stock Exchange or other exchange or market where executed; and you and your correspondents are hereby constituted agents of the undersigned for the purpose of consummating all such transactions, and are authorized to make such advances and expend such moneys as may be required in respect thereof.

All securities or commodities, or contracts for commodities or securities, now held or hereafter purchased by you for, or now or hereafter deposited with you by, the undersigned, are to be held by you as security for all liabilities of the undersigned to you, however and whenever arising, and you are hereby authorized, without further notice to the undersigned, and without regard to whether you have in your possession or subject to your control at the time thereof other securities, commodities, or contracts for commodities or securities of the same kind and amount, in the usual course of business to repledge, rehypothecate (either for the amount due you from the undersigned, or for a greater sum) and loan the same from time to time separately or together with other securities either generally or to or for account of your other customers; and you shall not be required to deliver to the undersigned the same certificates or securities

deposited or received but only certificates or securities of the same kind and amount.

You may from time to time demand additional security or that any account be immediately taken up and paid, and all amounts advanced and other balances due, with interest at the current rate, and all commissions fixed by the regulations and usages of the exchange or market where orders are executed shall be due and payable upon demand.

You may employ subbrokers and shall be responsible only for reasonable care in their selection, and may settle contracts and controversies according to the regulations and customs of the exchange or market where orders are executed.

Upon failure of the undersigned to comply with any of the provisions hereof, or whenever deemed necessary for your protection, you are hereby authorized and empowered to sell, assign, and deliver all or any part of the securities, commodities, or contracts for commodities or securities pledged hereunder upon any exchange or market or at any public or private sale, at your option, and/or to purchase to cover short sales and without demand for margin, and without advertisement or notice of purchase or sale, which are hereby expressly waived, and no specific demand or notice shall invalidate this waiver; and after deducting all costs and expenses of purchase or of sale and delivery, including commissions, transfer and stamp taxes, to apply the residue of the proceeds to the payment of the liabilities of the undersigned to you, returning the surplus, if any, to the undersigned; and upon any sale other than a private sale you may purchase the whole or any part thereof free from any right of redemption, and the undersigned shall remain liable for any deficiency.

All statements of account rendered the undersigned from time to time shall be taken to be correct unless written notice to the contrary is given you within 10 days after the receipt thereof.

All statements of account, notices, or demands hereunder may be made by depositing the same in writing in the United States mails directed to the undersigned at the address given below, or any other address of the undersigned.

Notices and demands may, however, be given by you by any other means of communications.

Monthly debit balances on accounts shall be charged in accordance with your usual custom with interest at a rate which shall include the average rate paid by you on your general loans during the month covered by such balances respectively, and any extra rates caused by market stringency, together with a charge to cover your credit service and facilities.

In all transactions wherein you act as the undersigned's agent, the undersigned agrees to wholly indemnify and save you free and harmless from any loss, damage, or liability arising out of such transaction howsoever same may occur and the undersigned agrees promptly to pay on demand any loss or debit balance arising in any account of the undersigned.

Whenever you shall elect to give undersigned notice of intention to liquidate his account giving time and place where sale is to occur, no oral agreement on the part of any of your agents agreeing to adjournment shall be binding; all such agreements must be in writing.

This agreement shall pertain to all accounts including accounts from time to time closed and then reopened and shall continue until revoked by the undersigned in writing, such revocation to affect only transactions thereafter entered into between us.

The undersigned hereby represents that he is of full age and sound mind; that he is not connected as a clerk or employee with the New York Stock Exchange or any other exchange, nor with a member of that exchange or any other exchange engaged in the business of dealing in securities or commodities, nor is he connected as a clerk or employee with any bank, trust company, banker, or insurance company, nor with any broker, firm, or corporation engaged in the business of dealing in securities or commodities.¹

Yours truly,

Name -----
Address -----

Dated -----
In the presence of -----

¹ This clause is part of the agreement only in the case of individual customers.

AUTHORITY TO LOAN

Date -----

HARRIS, UPHAM & Co.

GENTLEMEN: I hereby reaffirm the consent heretofore given by me authorizing you to lend, to yourselves as brokers, or to others, any securities which you may be carrying for my account or under my control on margin.

This authorization shall apply to any and all accounts carried by you for me or under my control, and shall remain in force until revoked by me by a written notice, addressed to you and delivered at your office.

AUTHORITY TO LOAN

Date -----

HARRIS, UPHAM & Co.

GENTLEMEN: You and your successors (hereinafter referred to as you) are hereby authorized without further notice to loan from time to time securities that may be held by you in the undersigned's accounts, either generally or to or for account of your other customers.

This authority shall apply to all accounts under undersigned's control and shall be revocable at any time by written notice addressed and delivered to you at your office.

Very truly yours,

FORM OF MARGIN AGREEMENT, SEPTEMBER, 1930

Date -----

HEMPHILL, NOYES & Co.,
15 Broad Street, New York.

DEAR SIR: All transactions in any account which the undersigned now has or may hereafter have with you, your successors and/or assigns, shall be upon the following terms and conditions:

All orders shall be subject to the regulations and usages of the exchange or market and its clearing house, if any, where such orders are to be executed, and you may settle contracts and controversies according to such regulations and usages.

All securities or commodities or contracts therefor now held or which at any time hereafter may be purchased for the undersigned and/or held by you and/or deposited with you for protection or safekeeping by the undersigned, may be held by you as security for the payment of all obligations and liabilities of the undersigned to you however and whenever arising. You are hereby authorized, whenever the undersigned shall be indebted to you or have a short position with you, without any notice to the undersigned, and irrespective of whether or not you have in your possession or subject to your control other securities, commodities, or contracts therefore of the same kind and amount, to pledge, repledge, rehypothecate, and lend or otherwise dispose of the same, either for the amount owing to you or for a greater sum, separately or together with other securities, commodities, or contracts therefor, and you are not required to deliver the same securities, commodities, or contracts deposited with you, or received by you but only the same kind and amount.

Whenever in your discretion you deem it desirable for your protection, you are hereby authorized and empowered to sell, buy, assign, and deliver or receive all or any of the securities, commodities, or contracts therefor, or any interest therein pledged with you or otherwise held long or short by you for the undersigned upon any exchange or market, upon any public or private sale, and to purchase securities or commodities to cover short sales or time contracts made on behalf of the undersigned, all without any demand for margin, advertisement, or notice (demand, advertisement, and notice being hereby expressly waived). You may make demand for margin or give notice for any purchase or sale or may establish the practice of giving such demand or notice without waving any right thereafter to sell or purchase such securities without such demand or notice.

You may employ subbrokers and/or subagents, and you shall be responsible only for reasonable care in their selection.

The undersigned's debit balances shall be charged at the end of each month with interest at the rate currently charged by you (which may be the same as the rate charged to you by any bank for call loans); together with all carrying and other charges at your current rates.

Upon demand the undersigned will immediately pay the entire amount (or such part of it as may be demanded by you) of all obligations and liabilities owing to you, together with interest and customary commissions.

Any statement of account rendered by you to the undersigned shall be binding upon the undersigned unless written notice to the contrary within 10 days after the receipt by the undersigned of such statement of account shall have been given by the undersigned to you.

All notices or demands hereunder may be made by depositing the same in writing in the United States mail, directed to undersigned at the address given below.

No amendment of this agreement shall be in any way binding upon you unless and until the same shall be reduced to writing and signed by a general partner of your firm.

----- (L. S.)

Witness -----

 Date -----

HEMPHILL, NOYES & Co.,
 15 Broad Street, New York City.

GENTLEMEN: You and your successors are hereby authorized to loan to yourselves as brokers or to others any and all securities which are now held or which may hereafter be held in my margin account or accounts with or in any such margin account or accounts controlled by me.

This authorization shall remain in force until revoked by me by written notice addressed to you and delivered at your office, 15 Broad Street, New York City, my margin agreement or agreements with you to remain otherwise in full force and effect.

Very truly yours,

 DATE -----

HORNBLOWER & WEEKS.

GENTLEMEN: I desire to arrange with you to act as brokers for me in the purchase and sale of securities from time to time. In view of the fact that I may not at all times when I give orders wish to pay in full for securities which you may purchase for me, or immediately to deliver certificates for the securities which you may sell for me, I request the assistance of your credit in making payments for purchases and in the delivery of securities which I order sold; and to that end I desire to open a credit account with you.

In consideration of your undertaking these proposed transactions and opening the account in which they will be recorded, I agree as follows:

1. My orders are to be executed in accordance with and subject to the rules, regulations, and customs now and/or hereafter existing of the exchange or other market in which the order is carried out. Orders may be executed through a buyer's or seller's contract.

In case of sales of securities by my order and failure to furnish certificates in time for delivery to the purchaser under the rules of the exchange or market, I authorize you to make such delivery of securities for me, either from securities which you may own or control or may borrow for the purpose. I agree to furnish such securities to you upon demand, but whenever you deem it necessary or expedient for your protection you are empowered to purchase the same without notice to or demand upon me and to charge the cost thereof to my account.

2. All securities either purchased or deposited for my account may be used by you either as collateral for your own loans or in making loans or deliveries of securities to others, and without regard to the amount of my indebtedness to you at the date of such use.

3. I will at all times maintain with you, in cash and/or securities readily marketable on the Boston, New York, or Chicago stock exchanges, a margin of value satisfactory to you above the amount of my indebtedness.

4. Whenever, in your judgment, you may deem it necessary or expedient, you may sell at public or private sale without advertisement or notice to or demand upon me, which are expressly waived, all or any part of the securities carried in my account, whether purchased by you or deposited for my account, and deliver to purchasers securities which have been sold for me, in order thus to reduce and/or extinguish my indebtedness to you; and thereupon I will promptly pay any balance due you. No specific demand or notice shall invalidate or suspend this waiver.

5. You are hereby authorized to sell at any time without previous notice to me, irrespective of the condition of my account, any and all fractional shares of stock or rights to subscribe for fractional shares of stocks or bonds in my account, or to which I may be entitled, whether represented by certificates or scrip, crediting my account with the net proceeds of any such sale or sales.

6. My obligations as hereinbefore stated may be considered as applying to every transaction and account I may have with you on or after this date, and I agree that I will reimburse you for any loss which you may incur or suffer by reason of any failure on my part to carry out any of my obligations to you.

7. I will promptly notify you of any error I may observe in respect of items in your monthly statements or confirmations of purchase and/or sale for my account, or any criticism thereof or objection thereto, and in the absence of such notice you may assume that I accept them as correct.

I am of full age; I am not a clerk or employee of any stock exchange or of a member thereof, or of any bank, trust company, banker, or insurance company, or of any broker, firm, or corporation engaged in the business of dealing in securities or commodities.

Notices or other communications may be sent to me at the address given below until such address is changed by notice by registered mail; and the delivery of all notices or other communications at said address shall be deemed personal delivery thereof to me.

Very truly yours,

Signature _____
Address _____

Date _____

HOENELOWER & WEEKS.

GENTLEMEN: I have heretofore (in your customer's agreement form) authorized you to pledge or to lend all securities in my account with you.

To facilitate your compliance with resolutions adopted by the governing committee of the New York Stock Exchange on February 18, 1932, I now separately authorize you to lend, either to yourselves as brokers or to others, all securities held by you for my account on margin.

This authorization shall continue in full force until revoked by me in writing.

Very truly yours,

Signature _____
Address _____

Date _____

LOGAN & BRYAN,
New York-Chicago.

GENTLEMEN: In connection with all transactions heretofore had or hereafter to be had with you the undersigned expressly agrees:

(1) That all such transactions shall be controlled by and subject to the laws, rules, regulations, customs, methods of handling, clearing, interest charges, and service charges prevailing on, allowed by, or applicable to the exchange or market and any clearing house thereof and the place where such transactions respectively are performed or executed, notwithstanding the law or practice of the place where the undersigned resides or an order is given.

(2) That any securities or property heretofore or hereafter deposited or carried in the undersigned's account with you may be shipped to New York City or any other place, transferred to your name or that of any nominee of yours,

loaned by you, or pledged by you either separately or together with other securities or property without reference to the amount, if any, owing by the undersigned to you; that you may make such loans or pledges without having in your possession or subject to your control any other securities or property of the same kind; that you shall have a reasonable time after demand to deliver any securities or property to which the undersigned is entitled, and you shall not be required to return the identical securities or property deposited or carried, securities or property of like kind being sufficient.

(3) That you may at any time or times close any or all trades or transactions which you are or at any time or times shall be carrying for the undersigned, and/or sell any or all commodities or securities which you are or shall be carrying for the undersigned, and/or buy any commodities or securities which the undersigned shall at any time or times be short with or through you. All such closings, purchases, and/or sales may be made on any exchange or at public or private sale without any advertisement, tender, notice to, or demand of any kind upon the undersigned or anyone else.

(4) All notices, statements, reports, and/or other communications mailed to the undersigned at any address given on the reverse side hereof, or left at any such address, shall be deemed for all purposes to have been personally delivered to the undersigned.

(5) This agreement applies to all accounts which the undersigned now has or may at any time or times hereafter have with any firm of Logan & Bryan as now or at any time hereafter constituted, or with any successor firm.

Full name -----
 Witness -----

CUSTOMER'S AGREEMENT

LOGAN & BRYAN.

GENTLEMEN: I (we) hereby reaffirm the consent heretofore given by me (us) authorizing you to lend, to yourselves as brokers, or to others, any securities which you may be carrying for my (our) account or under my (our) control on margin.

This authorization shall apply to any and all accounts carried by you for me (us) or under my (our) control, and shall remain in force until revoked by me (us) by a written notice, addressed to you and delivered at your office at -----

Full name -----

Dated -----

(This form to be used only when customer has executed usual customer's agreement.)

BROKER-CUSTOMER CONTRACT

So long as the relation of broker and customer exists between Paine, Webber & Co. (herein designated as the broker), and the undersigned (herein designated as the customer), this contract shall control their rights, unless altered or modified in writing.

1. All transactions shall be subject to the rules and customs of the exchange where such transactions are consummated, and the clearing house of such exchange.

2. All securities and commodities now or hereafter carried in the customer's account or deposited to protect the same, or held by the broker for him, may be loaned or pledged by the broker, either separately or together with securities belonging to others, irrespective of any amount being due thereon, or for more than the amount due thereon, without further notice; and the broker shall not be required to deliver to the customer the identical securities or commodities carried in his account or deposited or held by the broker for him, but only securities or commodities of the same kind or amount.

3. The customer obligates himself to see that at all times his account is in such condition that, measured by the last publicly reported or recorded sale, the aggregate value of the securities and/or commodity contracts being carried by the broker for him, shall exceed by 10 per cent his debit balance. Should he fail to do so, the broker may, without notice to or demand of the customer, at

its discretion, sell all or any of the securities or commodities, or buy any securities or commodities to cover any of the customer's commitments, at public or private sale, for the credit of or to be debited against his account.

4. The broker has the exclusive right to determine the amount of margin required and (except as provided in par. 3 hereof) agrees that the securities and/or commodity contracts will not be sold unless the customer fails, within 24 hours after demand, to comply therewith, in which event the broker may sell same without further demand or notice. If such demand be made by letter or telegram, the time is to be reckoned from the hour the letter is mailed or the telegram delivered to the telegraph company. The risk of delay or nondelivery is assumed by the customer and the address given below is to be treated as the customer's address unless the customer shall advise the broker of a change in his address by registered mail or telegram.

5. The broker agrees to mail to the customer a memo of each and every trade made for him and the customer agrees that unless within five days after the broker has mailed such memo he makes objection thereto, by registered mail, he must be treated as adopting same. Monthly statements will be mailed to the customer, who agrees to take exception thereto, by registered mail, within five days after same is mailed; otherwise it shall be treated as an account stated.

6. It is expressly agreed that any controversy with respect to any liability by reason of anything done or left undone by either party in connection with, or in the purchase or sale of, securities and/or commodity contracts, or any claim that either party has acted wrongfully or without authority, or that either is indebted to the other, shall be settled by and pursuant to what is known as the arbitration law, being chapter 72 of the Consolidated Laws of New York, and in no other form or manner.

7. The customer understands that no one of the agents or employees of the broker is authorized or empowered to change this contract, nor to make promises or assurances inconsistent herewith. This contract shall be binding upon and inure to the benefit of the customer and his estate and the broker, its successors and assigns, and shall not be affected or modified by any practice or specific demand or notice or otherwise, except by an agreement in writing expressly purporting so to modify this contract, signed by a member of the broker's firm and the customer, and shall continue until revoked by the customer in writing, such revocation to affect only transactions thereafter entered into.

Customer _____
Address _____

Date _____
Accepted, Paine, Webber & Co.

RESOLUTIONS ADOPTED BY THE GOVERNORS OF THE NEW YORK STOCK EXCHANGE

Whereas it has been stated that customers in some instances do not appreciate that the usual form of customer's agreement permits brokers to lend securities purchased on margin, and it has also been stated that some customers are not aware of the fact that they have the right to revoke any authorization to lend securities which they may have previously given to their brokers; it was

Resolved, That members of the exchange shall not, on and after April 1, 1932, lend, either to themselves as brokers or to others, securities held on margin for customers unless they shall have obtained separate authorization in writing permitting the lending of such securities; it was further

Resolved, That no general form of customer's agreement, even though it includes specifically the right to lend securities, shall be deemed sufficient compliance with this resolution, but such right shall be evidenced by a separate authorization in writing; it was further.

Resolved, That in the case of the accounts of all new customers opened after the date hereof the requirement of such separate authorization in writing for the lending of securities shall apply; and it was further

Resolved, That the committee on business conduct may, at its discretion, require that members shall at stated periods bring to the attention of all customers their right to revoke any authorization theretofore given for the lending of securities.

DEAR SIR: Above is a transcript of resolutions adopted by the governing committee of the stock exchange at a meeting held on February 18, 1932, relat-

ing to the loaning of customers' securities. By your agreement with us you have heretofore authorized us to loan your securities. If you wish to continue the authorization, will you kindly sign the agreement below and send it to us. This authorization may be terminated by you in writing at any time.

PAINÉ, WEBBER & Co.

To _____.

AGREEMENT

Between Paine, Webber & Co. and _____

GENTLEMEN: I hereby reaffirm the consent heretofore given by me authorizing you to lend, to yourselves as brokers or to others, any securities which you may be carrying for my account or under my control on margin.

This authorization shall apply to any and all accounts carried by you for me or under my control and shall remain in force until revoked by me by a written notice addressed to you and delivered at your office at _____

Very truly yours,

Name _____
 Address _____
 Telephone _____

Dated _____

FORM A

Messrs. SHEARSON, HAMMILL & Co.,
 71 Broadway, New York City.

GENTLEMEN: Consent is hereby given that all securities now carried or that may be carried on margin by Shearson, Hammill & Co. for account and risk of the undersigned and any securities deposited or that may be deposited to protect said margin account, may be pledged by said Shearson, Hammill & Co. either separately or together with other securities either for the sum due thereon to said Shearson, Hammill & Co. or for any greater sum, all without any further notice.

Very truly yours,

CONSENT TO LOAN SECURITIES

Messrs. SHEARSON, HAMMILL & Co.,
 71 Broadway, New York City.

GENTLEMEN: Consent is hereby given that all securities now carried or that may be carried on margin by Shearson, Hammill & Co. for the account and risk of the undersigned and any securities that have been or may be deposited to protect said margin account, may be loaned by said Shearson, Hammill & Co. either to themselves as brokers or to other brokers until this consent is rescinded by the undersigned in writing.

Very truly yours,

EXHIBIT No. 35, APRIL 21, 1932

(See p. 287, this hearing)

FORMS OF GENERAL COLLATERAL AGREEMENTS

The eight forms of general collateral agreements hereinafter enumerated and attached hereto have been collected at random by the New York Stock Exchange from corporations engaged in banking in New York City:

- (a) General collateral agreement used by Bankers Trust Co.;
- (b) General collateral agreement used by Central Hanover Bank & Trust Co.;
- (c) General collateral agreement used by Guaranty Trust Co. of New York.

- (d) General collateral agreement used by Irving Trust Co.;
- (e) General collateral agreement used by Manufacturers Trust Co.;
- (f) General collateral agreement used by The Chase National Bank of the city of New York;
- (g) General collateral agreement used by the National City Bank of New York; and
- (h) General collateral agreement used by The New York Trust Co.

(a) LIABILITY AGREEMENT

Know all men by these presents, that the undersigned, in consideration of financial accommodations given or to be given or continued to the undersigned by or through Bankers Trust Co., of the city of New York (hereinafter, whether referred to as agent or otherwise, being called the company), hereby agrees with the company, for its own account and as agent for every other person to whom, and firm or corporation, to which the undersigned is or may become indebted by reason of any transaction through the company as such agent or by reason of any assignment by the company of all or any part of any indebtedness of the undersigned, that whenever the undersigned shall become or remain directly or contingently so indebted in any manner whatsoever, the company shall then and thereafter, for its own account and as agent for each such other creditor, have the following rights in addition to those created by the circumstances from which such indebtedness may arise, against the undersigned or the executors, administrators, successors, and assigns of the undersigned, namely:

1. All securities now or hereafter deposited by or for the account of the undersigned with the company as collateral to any such loan or indebtedness of the undersigned to the company and/or other creditor, shall also be held by the company as security for any other such liability or liabilities of the undersigned, whether then existing or thereafter contracted or existing, due or to become due, or held to be held by the company for its own account and/or as agent, and the company shall also have a lien upon any balance of the deposit account of the undersigned with the company existing from time to time, and upon all property and securities of every description now or hereafter given unto, or left in the possession or custody of the company for safekeeping or otherwise, by or for the account of the undersigned or in which the undersigned may have any interest (all remittances and property to be deemed left with the company as soon as put in transit to it by mail or carrier) as security for any such liability or liabilities.

2. The undersigned shall deliver to the company additional collateral satisfactory to it whenever called for by it, so that there will at all times be with the company a margin of security satisfactory to it for all such liabilities of the undersigned now existing or which may hereafter be contracted or existing, due or to become due, or held or to be held by the company for its own account and/or as agent, and in case of failure so to do forthwith all such liabilities of the undersigned shall become at once due and payable at the option of the company, notwithstanding any credit or time allowed to the undersigned by any instrument evidencing any of said liabilities or otherwise.

3. The company is hereby authorized and empowered at its option at any time and from time to time to appropriate and apply to the payment and extinguishment of any such liabilities of the undersigned, whether now existing or hereafter contracted, any and all moneys or other property or proceeds thereof now or hereafter in the hands of the company on deposit or otherwise, for the account of, to the credit of, or belonging to the undersigned, whether such liabilities are then due or not due. In the event of the insolvency of, or the appointment of a receiver of the property of, or an assignment for the benefit of creditors of, the undersigned, or the filing by the undersigned of a voluntary petition in bankruptcy, or the filing of an involuntary petition in bankruptcy against the undersigned, or any attachment against the credit or property of the undersigned with the company all such liabilities of the undersigned shall, at the option of the company, become and be immediately due and payable without demand of payment.

4. Upon failure of the undersigned either to pay any indebtedness to the company and/or to any such other creditor when becoming or made due, or to keep up the margin of collateral securities above provided for, then, and in either event the company is authorized immediately to sell, assign, and deliver the whole of said securities so held by it, or from time to time any part thereof,

or any substitutes therefor, or any additions thereto, at any brokers' board, or at public or private sale, for cash, upon credit, or for future delivery, all at the option of the company, without either advertisement or notice, which are hereby expressly waived, and to apply the net proceeds thereof to one or more or all of such liabilities of the undersigned, whether then due or not. Upon any sale or sales at public auction or brokers' board, or exchange above provided for, the company may bid for and/or purchase the whole or any part of said securities or property, free from any right of redemption, which is hereby waived and released.

5. All securities deposited by the undersigned with the company as collateral to any such liabilities of the undersigned may be pledged by the company, either alone or mingled with other securities, to the United States or to the Federal reserve bank, to secure deposits or other obligations of the company, whether or not such liability of the company be in excess of such liabilities of the undersigned.

6. Calls for collateral or any notices to the undersigned may be made or given by the company by leaving or mailing same to the address given below or the last known address of the undersigned, with the same effect as if delivered to the undersigned in person.

It is further agreed that these presents constitute a continuous agreement, applying to any and all future as well as to existing transactions between the undersigned and the company for its own account and/or the account of any other person, firm, or corporation.

Dated, New York, N. Y., -----day of-----19--

Address-----

Witness: -----

(b) Know all men by these presents, that the undersigned, in consideration of financial accommodations given, or to be given, or to be continued to the undersigned by Central Hanover Bank & Trust Co. (hereinafter called the company), hereby agree with the company that whenever the undersigned shall become or remain directly, or contingently, indebted or liable to the company for money loaned, or for money paid for the use or account of the undersigned, or for any overdraft or upon any promissory note, draft, guaranty, or upon any other obligation, or in any other manner whatsoever, the company shall then and thereafter have the following rights against the undersigned, or his, its, or their executors, administrators, successors, or assigns, in addition to those created or given by law, or implied from the circumstances from which such indebtedness and/or liability arose, namely:

1. All property pledged or deposited by the undersigned with the company as collateral security for any indebtedness or liability of the undersigned to the company, together with any and all substitutes therefor and additions hereto, is hereby pledged by the undersigned with the company as security for any other indebtedness and/or for any other liability of the undersigned to said company, whether now existing or hereafter contracted; and the company shall also have and is hereby granted a lien for the amount of all indebtedness and all liabilities aforesaid upon any moneys now or hereafter held by the company on deposit or otherwise to the credit of, or belonging to the undersigned, and upon all property at any time deposited with, or left in the possession of the company by the undersigned, for safekeeping, or otherwise. The undersigned will upon demand, at any time, and from time to time, deposit and pledge with the company additional approved collateral of a kind and of a market value satisfactory to the company to further secure any indebtedness or liabilities aforesaid.

2. Upon the failure of the undersigned to comply with any such demand, or to make such deposit or pledge, or upon the failure in business, bankruptcy, receivership, or making of an insolvent assignment by the undersigned, or by any other person who may be or become liable directly or contingently upon or for any indebtedness or liability aforesaid, then and in any such event all indebtedness and/or liability of the undersigned to the company aforesaid, whether or not then due and payable, shall, at the option of the company, without further demand or protest, become immediately due and payable by the undersigned notwithstanding any later maturity of such indebtedness or liability specified in the instrument or agreement evidencing the same, and notwithstanding any delay, extension, or grace allowed to the undersigned by any such instrument or agreement.

3. Upon failure of the undersigned to pay any indebtedness or liability aforesaid to the company at its maturity, or upon such liability or indebtedness becoming due or payable as aforesaid, or upon failure of the undersigned to deposit and/or pledge additional collateral security as above provided, then and in any such event, the company may immediately, without demand and without notice to the undersigned, which demand and notice are hereby expressly waived, and without advertisement, sell the whole or any part of the collateral security and any substitutes therefor and any additions thereto any any other property at any time transferred to, or deposited with or left in the possession of the company by the undersigned for safe-keeping or otherwise, at public or private sale, upon any broker's board or on the New York Curb or otherwise, and may apply the proceeds of sale and any moneys now or hereafter held by the company on deposit or otherwise to the credit of or belonging to the undersigned toward the payment of any or all indebtedness and/or liabilities aforesaid of the undersigned, whether now or hereafter contracted or existing, together with interest and expenses of sale, the undersigned remaining liable for any deficiency remaining unpaid after such application. If any such sale be at broker's board or on the New York Curb or at public auction, the company may itself be a purchaser at such sale, free from all right or equity of redemption of the undersigned, which right and equity are hereby expressly waived and released.

4. The company may, in its absolute discretion, and for its own benefit, transfer or repledge with any person, firm, or corporation all or any of the collateral security hereby pledged, either by itself or mingled with the property of others in bulk or otherwise, for any sum not in excess of the amount due the company from the undersigned at the date of such transfer or repledge by the company, and the company may assign and transfer this agreement to any other person, firm, or corporation, and may deliver the collateral security and any substitutes therefor and additions thereto to the transferee, and the company shall thereafter be forever relieved and fully discharged from any responsibility or liability in the premises.

5. No failure or omission by the company, upon any default of the undersigned, to exercise any right or remedy hereby granted to the company, shall constitute a waiver by the company of the right to exercise any such right or remedy upon any subsequent default.

6. In the event that this agreement is signed by more than one, the same shall apply to and bind the undersigned jointly and severally.

7. It is further agreed that these presents constitute a continuing agreement, applying to any and all future as well as to existing transactions between the undersigned and the company.

Dated at the city of New York, the _____ day of _____, 193—.

(c) Know all men by these presents, That the undersigned, in consideration of financial accommodations given, or to be given or continued to the undersigned by the Guaranty Trust Co. of New York, including any accommodations given on behalf of any disclosed or undisclosed principal, hereby agree, jointly and severally, with the said trust company that whenever the undersigned shall become or remain directly or contingently, indebted to the said trust company for money lent, or for money paid for the use or account of the undersigned, or for any overdraft, or upon any indorsement, draft, or guaranty, or upon any other claim, or in any other manner whatsoever, the said trust company shall then and thereafter have the following rights, in addition to those created by the circumstances from which such indebtedness may arise, against the undersigned, or his or their executors, administrators, successors, or assigns, namely:

1. All securities deposited by the undersigned with said trust company, as collateral to any such obligations or liabilities of the undersigned to said trust company, shall subject thereto also be held by said trust company as security for any other obligation or liability, direct or contingent, of the undersigned to said trust company, whether then existing or thereafter arising; and said trust company shall also have a lien upon any balance of the deposit account of the undersigned with said trust company existing from time to time, and upon all property of the undersigned of every description given unto or left with said trust company for safe keeping or for any other purpose, or

coming into the hands of said trust company in any way, or in transit to or from said trust company, as security for any obligation or liability of the undersigned to said trust company now existing or hereafter contracted.

2. Said trust company shall at all times have the right to require from the undersigned that there shall be deposited and pledged with said trust company as additional security, securities satisfactory in character and amount to said trust company; and upon the failure of the undersigned at all times to keep a margin of securities with said trust company for any or all such obligations or liabilities of the undersigned satisfactory to said trust company, or to furnish such additional margin when required, or upon nonpayment of either interest or principal of any obligation or liability to the trust company when due, or upon the insolvency of the undersigned, or the filing of a petition in bankruptcy by or against the undersigned or the making of an assignment for the benefit of creditors by the undersigned, or the application for the appointment, or the appointment of any receiver of or of any of the property of the undersigned, or the issuance of any warrant of attachment against any of the property of the undersigned, then and in any such event all obligations or liabilities of the undersigned to said trust company shall, at the option of said trust company, become immediately due and payable without notice, notwithstanding any credit or time theretofore allowed to the undersigned on any of the said liabilities: *Provided, however,* That in the event of the adjudication in bankruptcy of, or appointment of a receiver of, or of any of the property of, or of the expulsion or suspension by the New York Stock Exchange or other exchange as a member, of any of the undersigned, all said obligations or liabilities shall forthwith become due and payable without demand or notice.

3. Upon failure of the undersigned either to pay the interest or principal of any obligation or liability to said trust company when becoming or made due, or to maintain the margin of collateral securities as above provided for, then and in any such event said trust company may immediately, without demand of payment, without advertising, and without notice to the undersigned, which hereby are expressly waived, sell any or all of the securities or other property of the undersigned held by it as aforesaid as against any or all of the obligations or liabilities of the undersigned, either at the New York Stock Exchange or at any broker's board or at public or private sale, and apply the proceeds of such sale as far as needed toward the payment of any or all of such obligations or liabilities, whether then due or not, together with interest and expense of sale, the undersigned to remain responsible for any deficiency remaining unpaid after such application. If any such sale be at either the New York Stock Exchange, or at a broker's board or at public auction, said trust company may itself be a purchaser at such sale of the whole or any part of the securities or other property sold free from any right or equity of redemption of the undersigned, such right and equity being hereby expressly waived and released. Upon default as aforesaid, said trust company may also apply toward the payment of said obligations or liabilities all balances of any deposit account of the undersigned with said trust company then existing.

4. If any tangible property shall at any time become subject to the lien created hereby or by any other agreement between the undersigned and the trust company, the undersigned agrees at its own expense at all times to keep the same fully insured with responsible companies acceptable to the trust company, against loss by fire and any other risk to which said property may be subject. The insurance policies or certificate of acceptable companies will be deposited with the Guaranty Trust Co. of New York on demand, said trust company being designated in the policies as the assured in the following form: Guaranty Trust Co. of New York for account of whom it may concern. Loss, if any, to be adjusted with ----- and payable to the Guaranty Trust Co. of New York for account of whom it may concern. In case of failure on the part of the undersigned to effect such insurance, the trust company may itself insure such property for account of the undersigned. The trust company may at any time transfer into its own name or that of its nominee securities in registered form held as collateral security. In case during the term of this agreement transactions of the character referred to herein shall be had between said trust company and any one or more of the undersigned, the security herein provided for shall be applicable to and the provisions hereof shall govern each of such transactions.

It is further agreed that these presents constitute a continuing agreement applying to any and all future as well as to existing transactions between the undersigned and said trust company.

Dated, New York, the _____ day of _____, 193____.

(d) GENERAL COLLATERAL AGREEMENT

In order to obtain loans, advances, acceptances, and/or other financial accommodations from, or otherwise deal with, Irving Trust Co., New York City, or any successor of said Irving Trust Co. (said Irving Trust Co. and each and every successor thereof being hereafter referred to as "the trust company") and in consideration therefor, the undersigned hereby agree(s) with the trust company as follows in respect of any and all liabilities of the undersigned to the trust company due or to become due, now or hereafter existing, direct or indirect, absolute or contingent, liquidated or unliquidated, at law or in equity or otherwise, and whether tortious, or acquired by pledge or purchase from the undersigned or others, or incurred by overdraft, direct or implied contract, or arising by operation of law or in any other manner whatsoever (all of which liabilities are hereinafter referred to as "the obligations") to wit:

1. All loans, advances, or credits heretofore or hereafter obtained from the trust company by the undersigned, as well as all present and future indebtedness of the undersigned to the trust company, shall, unless otherwise agreed upon, be repayable by the undersigned at the trust company upon demand with interest.

2. As collateral security for the repayment of the obligations the trust company may hold and retain all property and security from time to time pledged under and pursuant to the terms hereof, as well as any and all property and securities, and all right, title, and interest of the undersigned, or any one or more of them, in and to all property and securities (including without limiting in any way the general nature of the foregoing, any and all negotiable instruments, commercial paper, bills of lading, warehouse receipts and other documents, the goods represented thereby and the proceeds thereof, all policies of insurance thereon and the proceeds of such policies, bonds, stocks, credits, choses in action, deposit or other accounts, or balances, claims, and demands) now or hereafter given unto, or left in the possession or custody or under the control of, or maintained with, the trust company by or for the account of the undersigned, or any one or more of them, for safekeeping or any purpose whatsoever, whether or not the trust company shall accept the same for such purpose (all remittances and property to be deemed left with the trust company as soon as put in transit to it by mail or carrier, or lodged for its account with any correspondent or agent). All of said property and securities and rights therein are hereinafter designated as "security," and the undersigned hereby pledge(s) to the trust company all such security capable of pledge and bargain(s), sell(s), assign(s), and transfer(s) to the trust company and/or give(s) it a general lien upon all right, title, and interest of the undersigned in and to any and all of the security incapable of pledge or inadequately pledged.

3. The undersigned further agree(s) to deliver to the trust company upon demand additional collateral to its satisfaction should the market value of any of the security at any time subject hereto decline, or should any change occur in the marketability thereof, or should any of such security for any reason be deemed unsatisfactory by the trust company.

4. The undersigned hereby agree(s) to reimburse the trust company for any and all costs and expenses of every kind which may be paid or incurred by the trust company in the collection of, and/or realization upon, and/or the attempted collection of, and/or attempted realization upon, any and/or all of the obligations and/or any and/or all of the security, and/or for the insurance and/or in the sale or delivery, as in this agreement provided, of any and/or all of the security, and the repayment of all such costs and expenses (including taxable legal costs and charges for legal services) is hereby secured in the same manner and to the same extent as any of the obligations.

5. On the nonperformance of any of the promises herein contained, or upon the nonpayment of any of the obligations at maturity, or in case of failure of the undersigned to meet at maturity any liabilities of the undersigned to any other party, or upon the failure of the undersigned to furnish additional se-

curity to the satisfaction of the trust company as above provided, or upon the death, declared insolvency, or failure in business of, or appointment of a receiver for, or commission of any act of bankruptcy by, or commencement of any bankruptcy proceedings by or against the undersigned, or the entry of any judgment against the undersigned, or levy under a warrant of attachment upon the credit property of the undersigned with the trust company, or in case any of the foregoing defaults or contingencies be committed by, or occur with reference to, any one or more of the undersigned (if there be more than one) or any indorser or guarantor of any of the obligations or security, all the obligations of the undersigned and of each of them to the trust company, shall at the option of the trust company immediately mature and become forthwith due and payable without demand or notice, and full power and authority are hereby given to the trust company to sell, assign, transfer, and deliver the whole, or from time to time, any part of, any or all of the security or rights or interests therein, at public or private sale, or at the New York Stock or Curb Exchange, or at any exchange or broker's board, at such prices at it may deem best, and either for cash or on credit or for future delivery, at the option of the trust company, or any one or more of its officers, without either demand, advertisement, or notice of any kind, which are hereby expressly waived; and if any of the security, or any interest therein, is disposed of at private sale, the trust company shall be relieved from all liability or claim for inadequacy of price. At any such sale the trust company may itself purchase the whole or any part of the security, or rights or interests therein, sold, free from any right of redemption on the part of the undersigned, which is hereby waived and released. If any of the security should be sold on credit or for future delivery, the security so sold may be retained by the trust company until the selling price is paid by the purchaser, but the trust company shall incur no liability in case of failure of the purchaser to take up and pay for the security so sold. In case of any such failure the security may be again sold.

Upon any such sale or other realization upon any or all of the security, the trust company may apply the proceeds thereof, after the payment therefrom of all expenses incident to sale, delivery, and/or collection toward the payment of any or all of the obligations at its option, and the undersigned shall continue liable for any deficiency remaining after such application.

6. The trust company at its discretion, without notice to the undersigned, and whether or not any of the obligations be due, in its name, or in the name or names of the undersigned, or of any one or more of them, or otherwise, may indorse, demand, sue for, collect, and/or receive any money or property at any time due, payable or receivable upon, or on account of, or in exchange for, or may take any action it may deem necessary for its own protection with respect to, any of the security. Upon the happening of any of the contingencies enumerated in article 5 hereof, the trust company in its name, or in the name or names of any one or more of the undersigned, or otherwise, may make any compromise or settlement it deems desirable with reference to and/or otherwise realize upon, with or without suit, any of the security, or any claim by or against the trust company with respect thereto or to the proceeds thereof, and in so far as the security shall consist of negotiable instruments and/or any chose or choses in action, the trust company may renew or extend the time of payment or performance, or arrange for payment in installments, or otherwise modify the terms as to any other parties liable thereon, of any thereof, or of any claims with respect thereto or to the proceeds thereof. By the exercising of any of the foregoing powers the trust company shall not incur any responsibility to, or discharge or otherwise affect any liability of the undersigned with respect to any of the obligations, or upon, or in connection with, any of the security.

7. As respects any negotiable instrument to which the undersigned, or any one or more of them, is a party, or which at any time may be included in the security, the undersigned hereby waive(s) presentment, protest, and notice of protest or dishonor.

8. If any tangible property shall at any time be included in the security hereunder, the undersigned agree(s) at the undersigned's own expense at all time to keep the same fully insured with responsible companies acceptable to the trust company against loss by fire and any other risks to which said property may be subject. The insurance policies or certificates on said property shall be deposited with the trust company on demand, and the loss thereunder shall be payable to the trust company or as the trust company may elect. In case of

failure on the part of the undersigned to effect such insurance, the trust company may itself insure such property at the expense of the undersigned.

9. The trust company may assign or transfer the whole or any part of any of the obligations, and may transfer therewith as collateral security therefor the whole or any part of the security. The transferee shall have the same rights and powers with reference to the obligations so transferred and the security transferred therewith as are hereby given to the trust company, and upon such transfer, the trust company shall be fully discharged from all claims with respect to any security so transferred, but shall itself retain all rights and powers hereby given with respect to any security not so transferred.

10. No delay on the part of the trust company or any transferee in exercising any power or right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof, or the exercise of any other power or right. The rights, remedies, and powers hereby conferred are irrevocable, cumulative, and not exclusive of but in addition to, any rights, remedies, and powers which the trust company, or its transferees, may or would otherwise have.

11. All rights, questions, disputes, and controversies arising under this agreement shall be determined according to the laws of the State of New York.

12. Calls for collateral or any notices to the undersigned may be personally made or given, or may be made or given by leaving the same at the address given below, or at the last known address of the undersigned, or any of them, or by mailing, telephoning, telegraphing, or cabling the same to any such address with the same effect as if delivered to the undersigned in person.

13. If the undersigned are more than one, this agreement shall be joint and several. In such case, each of the undersigned, to secure the repayment of any and all obligations as above defined, now or hereafter owing to the trust company by him or it, individually, and/or jointly with any other or others, hereby confers upon the trust company with respect to any and all property or property rights now or hereafter owned by him or it separately, or jointly with such other or others, the same security, rights, powers, and remedies as have hereinbefore been conferred upon the trust company with respect to the joint property and property rights of all of the undersigned for the repayment of their joint obligations.

14. This agreement shall be a continuing agreement applying to all futures as well as to all existing transactions. It shall bind all administrators, executors, heirs, partners, successors, and assigns of the undersigned, and each of them, and shall not be affected by any change in personnel, or by the death or retirement of any member, of a partnership.

New York City, _____, 193—.

Address _____.

(e) AGREEMENT

Whereas the undersigned expect from time to time to borrow money from Manufacturers Trust Co. (hereinafter called bank) and to pledge with the bank property of various kinds as collateral security for the payment of such loan or loans to be hereafter made by the bank: Now, therefore,

It is agreed by the undersigned (who if two or more in number shall be jointly and severally bound) with the bank, for and in consideration of the loans hereinafter to be made, all of which loans the undersigned agree to repay according to the terms thereof, that all property thus pledged with it may be held as collateral security for the payment of such loan or loans as well as for the payment of any other obligation or liability, direct or indirect, contingent or absolute, due or to become due, whether now existing or hereafter arising of the undersigned (or any of them) to the bank; and the undersigned agree to deliver to the bank additional securities to the satisfaction of the bank immediately upon its demand, it being understood that the bank shall in its own discretion have the right at all times to require same; and should the market value of the pledged securities as a whole suffer any decline, to make such delivery immediately upon such decline without notice or demand; and in any such contingency or contingencies, if the bank shall so request, to make payments on account to the bank's satisfaction. The undersigned hereby give to the bank a lien for the amount of all such obligations and liabilities

upon all the property or securities now or at any time hereafter given unto or left in the possession of the bank by the undersigned (and/or any and each of them) whether for the express purpose of being used by the bank as collateral security or for any other or different purpose, and also upon any balance of the deposit account of the undersigned (and/or any and each of them) with the bank. Failure of the bank to exercise said lien in any one or more instances shall not be deemed a waiver thereof.

Upon the failure of the undersigned to furnish satisfactory additional securities or to make said payments on account forthwith in case of decline or request as aforesaid, or in case of failure of the undersigned or any of them to meet at maturity any liability either to the bank or to any other party, or upon the insolvency or failure in business of, or appointment of a receiver for, or the commencement of bankruptcy proceedings by or against the undersigned, or any of them, or the making of an assignment for the benefit of creditors by the undersigned or any of them, or the securing or entry of any judgment against the undersigned or any of them, or the issuance of a warrant of attachment, distraint warrant, or injunction with respect to any deposits or property of the undersigned or any of them with the bank, or in the event that the financial or other condition of the undersigned or any of them shall be such as in the opinion of the bank to in any way impair its security, increase its risk, or make advisable any action by the bank, or in case any such event occurs with respect to any indorser, comaker, surety, or guarantor (if any) of any or all of the obligations of the undersigned, or any of them, to the bank, or with respect to any person or persons, firm or corporations who are or may be jointly and/or severally, primarily or secondarily, liable with the undersigned, or any of them, for the payment of said obligations, then and in every such case absolute, due or to become due, of the undersigned and/or each of them shall forthwith become due; and in any of such events, and whether or not the said obligations and liabilities, or any of them, have become presently due and payable, the bank may, without demand of performance, or advertisement, or of notice of intention to sell, or of time or place of sale, or to redeem, or other notice whatsoever to the undersigned, all of which demands, advertisements, and/or notices are hereby waived by the undersigned, sell, assign, and deliver in one or more parcels, at public or private sale, or at the New York Stock Exchange, or at any other exchange or brokers' board, at such prices as it may deem best, and either for cash or on credit or for future delivery, the whole of the said securities, or any part thereof, or any substitutes therefor, or any additions thereto, or any other securities or property given unto or left in the possession of the bank by the undersigned, whether for the express purpose of being used by the bank as collateral security or for any other different purpose, or in transit to and from the bank by mail or carrier for any of the said purposes. At any such sale the bank may itself purchase the whole or any part of the property sold, free from any right of redemption on the part of the undersigned, which is hereby waived and released. In case of any sale or other disposition of any of the property aforesaid, after deducting all costs or expenses of every kind for collection, sale, or delivery, the bank may apply the residue of the proceeds of the sale or sales so made to pay one or more or all or any of said obligations or liabilities to it, making proper rebate for interest on obligations or liabilities not then due and returning the overplus, if any, to the undersigned, who agreed to be and remain liable to the bank, jointly and severally, for any deficiency. The undersigned do hereby authorize and empower the bank, at its option, at any time, to set-off and apply to the payment and extinguishment of any of the obligations or liabilities hereinbefore referred to, whether now existing or hereafter contracted direct or contingent, and whether then due or not due, any and all moneys now or hereafter in the hands of the bank, on deposit or otherwise, to the credit of or belonging to the undersigned, or any of them, or to which they may be or become entitled.

The bank may assign or transfer this instrument and may deliver the said collateral security or any part thereof to the transferee or transferees, who shall thereupon become vested with all the powers and rights above given to the bank in respect thereto, and the bank shall thereafter be forever relieved and fully discharged from any liability or responsibility in the matter. The bank shall not by any act, delay, omission, or otherwise be deemed to have waived any of its rights or remedies hereunder, unless such waiver be in writing signed by a duly authorized officer of the bank in which case it shall become effective only to the extent therein set forth; a waiver by the bank of any right or remedy on any one occasion shall not be construed as a bar to the exercise thereof on any future occasion.

All the terms of this agreement shall apply to and be binding in respect of any loan or loans made or held by the bank for account of, or as agent for, other banks, trust companies, bankers, corporations, firms, or persons, or for any others whomsoever, and that such other banks, trust companies, bankers, corporations, firms, or persons, or any others whomsoever, shall have and may exercise the same rights as are herein granted to the bank in respect of its own loans, and that the bank may proceed hereunder for account of or as agent for those for whose account it may have made or held any such loans to the undersigned, in the same manner, and that it may exercise the same rights and options as it does when acting for its own account; it being understood that the bank need not at the time of making any loans specify whether same are made for its own account or for the account of others.

In the case of call or demand loans the renewal rate for call or demand loans, as announced on the New York Stock Exchange, shall be the rate at which call or demand loans made or held by the bank, either for its own account or for account of or as agent for other banks, bankers, trust companies, corporations, firms, or persons, or for any others whomsoever, will be deemed to have been renewed unless called by the bank, or repaid by the undersigned, on that day. It is expressly agreed that this agreement, respecting such renewals, shall bind the undersigned as to such rates without any notification thereof to the undersigned, and that this shall be the continuing agreement of the undersigned in writing evidencing its assent and agreement thereto.

It is expressly agreed that this agreement shall be binding upon the undersigned's heirs, executors, administrators, legal representatives and assigns, and this agreement and all the rights, obligations, and liabilities of the undersigned hereunder are to be governed by and construed in accordance with the laws of the State of New York.

Dated New York the ----- day of -----, 19___

(7) GENERAL LOAN AND COLLATERAL AGREEMENT

In order to obtain loans from and otherwise deal with the Chase National Bank of the city of New York (hereinafter called the bank), whether acting in its own behalf and/or in behalf of others, it is hereby agreed by the undersigned that the bank shall have the rights hereinafter set forth in addition to those created by the circumstances associated with the incurrence of any liabilities as hereinafter defined and with the security as hereinafter defined:

1. The term "liabilities" as herein used shall include any and all loans, advances, and credits by the bank, both in its own behalf and in behalf of others, to the undersigned, any and all indebtedness, notes, bonds, obligations, and liabilities of any kind of the undersigned, whether to the bank and/or to any other or others in whose behalf the bank shall have acted in creating the same, now or hereafter existing, or heretofore or hereafter acquired from another by the bank and/or by anyone for whom it has acted or shall act in acquiring the same, whether absolute or contingent, secured or unsecured, due or not due, direct or indirect, arising by operation of law, contractual or tortious, liquidated or unliquidated, at law, in equity, in admiralty, or otherwise, and whether heretofore or hereafter incurred or given by the undersigned as security or otherwise. The term "security" as herein used shall include any deposit account maintained by the undersigned by the bank or any other claim of the undersigned against the bank, all money, negotiable instruments, commercial paper, bonds, stocks, credits, choses in action, claims, demands, or any interest in any thereof, and any other property, rights, and interests of the undersigned, or any evidence thereof, which have been or at any time shall be delivered to the bank or any of its agents, associates, or correspondents for any purpose, whether or not accepted for the purpose or purposes for which they are delivered; and all such money, negotiable instruments, commercial paper, bonds, stocks, credits, choses in action, claims, demands, or any interest in any thereof, and any other property, rights, and interests, or any evidence thereof, as have or shall come into the possession, control, or custody of the bank or of any of its agents, associates, or correspondents, or others acting in its behalf, for account, subject to the order, or otherwise for the benefit or under the control of the undersigned. The bank shall be deemed to have possession, control, or

custody of any security actually in transit to or set apart for it or any of its agents, associates, correspondents, or others acting in its behalf.

2. As security for any and all such liabilities the undersigned hereby pledge(s) to the bank all such security capable of pledge and bargain(s), sell(s), assign(s), and transfer(s) to the bank and/or give(s) it a general lien upon all right, title, and interest of the undersigned in and to any thereof incapable of pledge or inadequately pledged, such pledge and/or sale, assignment, transfer and/or lien being made or created for the protection and security of the bank and/or any other or others (but pro rata if held for the benefit of more than one) for whom it has acted or shall act as agent in connection with the creation of any such liability; and in trust for the benefit and to the extent of the interest of any such other or others therein.

3. The bank, at its discretion, may, whether or not any of such liabilities be due, in its name and/or in the name of anyone for whom it has acted as agent in connection with the creation of any such liability, or in the name of the undersigned, demand, sue for, collect, and/or receive any money or property at any time due, payable, or receivable on account of or in exchange for, or make any compromise or settlement deemed desirable with respect to, any security, but shall be under no obligation so to do. If the security shall consist of or include negotiable instruments and/or other choses in action and/or promises or agreements of any character to pay money, they may be sold in the manner hereinafter provided with respect to the sale of any security; or the bank, and/or anyone in whose behalf it has acted or shall act in obtaining such security, may extend the time of payment of any such obligation, arrange for payment of any thereof in installments, or otherwise modify the terms thereof as to any other party liable thereon, without thereby incurring responsibility to, or discharging or otherwise affecting any liability of, the undersigned thereon or in connection therewith. The bank, and/or anyone for whom it has acted or shall act as agent as herein provided, upon default (in payment, furnishing security, or otherwise) hereunder or in connection with any such liabilities (whether such default be that of the undersigned or of any other party obligated thereon in whole or in part), may sell in the Borough of Manhattan, New York City, or elsewhere, in one or more sales or parcels, at such price or prices as the bank and/or anyone for whom it has so acted or shall so act as agent may deem best, and either for cash or on credit, or for future delivery, all or any of the security, at any broker's board or at public or private sale, without demand of performance or notice of intention to sell or of time or place of sale, and the bank, and/or anyone in whose behalf it has acted or shall act as hereinbefore provided, may be the purchaser of any or all property, rights, and/or interests so sold and thereafter hold the same absolutely free from any claim or right of whatsoever kind, including any equity of redemption, of the undersigned, any such demand, notice, or right and equity being hereby expressly waived and released. The undersigned will bear and pay all expenses (including expense for legal services of every kind) of, or incidental to, the enforcement of any of the provisions hereof or of any liability or liabilities or of any actual or attempted sale or of any exchange, enforcement, collection, compromise, or settlement of any security, and/or of receipt of the proceeds thereof, and will repay to the bank, and/or to anyone for whom it has acted or shall act as agent as herein provided, any such expense incurred; and such expense shall be deemed an indebtedness within the terms of this agreement. The bank, and/or anyone for whom it has so acted or shall so act as agent, at any time, at its and/or his and/or their option, may apply all or any of the net cash receipts from or on account of any security to the payment in whole or in part of any or all of the liabilities, applying or distributing the same as it and/or he and/or they shall elect, whether or not the item or items on which such payment is applied be due, making proper rebate of interest or discount in case of payment on any item not due. Notwithstanding that the bank, whether in its own behalf and/or in behalf of another and/or of others, may continue to hold security and regardless of the value thereof, the undersigned shall be and remain liable for the payment in full, principal and interest, of any balance of said liabilities and expenses at any time unpaid.

4. If at any time the security for any of such liabilities shall be unsatisfactory to the bank, or any of its officers, and the undersigned shall not on demand furnish such further security or make such payment on account as shall be satisfactory to the bank, or if any sum payable upon any of said liabilities be

not paid when due, or if the undersigned or any maker, obligor, indorser, guarantor, surety, issuer of, or other person liable upon or for any of said liabilities, or any maker, obligor, indorser, guarantor, surety, issuer of, or other person liable upon or for any security, shall die or shall become insolvent (however such insolvency may be evidenced), or make a general assignment for the benefit of creditors, or if the undersigned or any copartnership of which he is a member shall suspend the transaction of his or its usual business, or if a petition in bankruptcy shall be filed by or against, or if a receiver shall be appointed of, or a writ or order of attachment or garnishment shall be issued or made against any of the property or assets, or any part thereof, of the undersigned, or of any such copartnership, or of any such maker, obligor, indorser, guarantor, surety, issuer, or other person, thereupon, unless the bank, and/or anyone in whose behalf it has acted or shall act as hereinbefore provided, shall otherwise elect, any and all of said liabilities shall become and be due and payable forthwith, without presentation, demand, protest, notice of protest, or other notice of dishonor of any kind, all of which are hereby expressly waived.

5. The bank may, without any notice to the undersigned, repledge all or any part of the security separate from any of the liabilities for which it is pledged by the undersigned.

6. The bank, and/or anyone in whose behalf it has acted or shall act as agent in connection with the creation of the same, may assign or otherwise transfer any or all, or any part of any, of said liabilities, and may transfer and/or deliver to any transferee any or all of the security for the liability, or part thereof, assigned or transferred, and shall be thereafter fully discharged from all claim and responsibility with respect to any and all security so transferred and/or delivered and the transferee be vested with all the powers and rights of the transferor and/or transferors hereunder with respect to such security, but the bank, and/or anyone in whose behalf it has so acted or shall so act, shall retain all rights and powers hereby given with respect to any security not so transferred. The bank may also transfer this agreement and, in the event of such transfer, the transferee hereof shall have the same rights and remedies hereunder as if originally named herein in place of the bank.

7. No delay on the part of the bank and/or of anyone in whose behalf it has acted or shall act as herein provided, or of any transferee, in exercising any power or right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the bank, and/or anyone in whose behalf it has acted or shall act as herein provided, or its and/or his and/or their transferees, may or would otherwise have.

8. Unless otherwise agreed, the loans, advances, or credits heretofore or hereafter obtained from or through the bank by the undersigned shall be repayable at the principal place of business of the bank in New York City upon demand and shall bear interest at the rate of 6 per cent per annum.

9. The undersigned, if more than one, shall be jointly and severally liable hereunder, and all provisions hereof regarding liabilities or security of the undersigned shall apply to any liability or any security of any or all of them. These presents are to be binding upon the heirs, executors, administrators, assigns, or successors of the undersigned.

New York, _____, 19—.

(g) To induce the National City Bank of New York (hereinafter called the bank) to make loans from time to time to the undersigned or any of them, or to continue loans already made, the undersigned jointly and severally agree that in addition to any rights which the bank would otherwise have against the undersigned or any of them, or his, its, or their executors, administrators, successors, or assigns, the bank may hold all property, which term is used herein to include securities, merchandise, funds, accounts, choses in action, shipping documents, and any and all other forms of property, or evidence of property, whether real, personal, or mixed, and any right or interest therein, now or hereafter pledged with the bank by the undersigned or any of them, as collateral security for the payment of every such loan or loans as well as for the payment of every other obligation or liability, direct or contingent, of the undersigned or any of them to the bank, due or to become due, whether now

existing or hereafter arising; and the undersigned will each and all of them deliver to the bank additional property, or make payments on accounts to its satisfaction, should the market value of the said property as a whole suffer any decline; or, upon demand, deposit with the bank approved collateral securities as security for any or all of such obligations or liabilities of the undersigned or any of them to the bank. The undersigned and each of them hereby give to the bank a lien for the amount of any and all of the said obligations and liabilities of the undersigned, or any of them, to it, upon all the property now or at any time hereafter in the possession of the bank, or of any third party acting on its behalf, for the account of the undersigned, or any of them, whether coming into such possession for the express purpose of being used by the bank as collateral security, or for any other or different purpose, including such property as may be in transit by mail or carrier for any purpose, or covered or affected by any shipping documents in the bank's possession, or in possession of any third party acting on its behalf.

On the nonperformance of this promise, or upon the nonpayment of principal or interest of any of the obligations or liabilities above mentioned, or upon the failure of the undersigned forthwith, with or without notice, in case of decline in value of said property as a whole, to furnish satisfactory additional property, or to make payments on account, or on demand to deposit approved collateral securities as herein provided, or in case of the filing of a petition in bankruptcy by or against the undersigned, or any of them, or upon the application for the appointment of a receiver for, or upon the application for a writ of attachment against, any of the property of the undersigned, or of any of them, or in case of the failure in business of or the commission of any act of insolvency by the undersigned, or any of them, then and in any such case, all obligations and liabilities, direct or contingent, of the undersigned and each of them, shall thereupon become due and payable without demand or notice; and full power and authority are hereby given to the bank thereupon to appropriate and apply upon such obligations or liabilities, or any of them, any or all of said property, or any property substituted therefor, or added thereto, or any other property of the undersigned, or any of them, as above described, and to sell, assign, and deliver the whole of the said property, or any part thereof, at any broker's board, or at public or private sale, at the option of the bank, either for cash or on credit, or for future delivery, without assumption of any credit risk and without either demand, advertisement, or notice of any kind, all of which are hereby expressly waived. At any such sale, the bank may itself purchase the whole or any part of the said property sold, free from any right of redemption on the part of the undersigned, and each of them, who hereby release the same. In case of any sale or other disposition of any of the property aforesaid, after deducting all costs or expenses of every kind for care, safekeeping, collection, sale, delivery, or otherwise, the bank may apply the residue of the proceeds of the sale or sales or other disposition of the property, in full or partial payment of one or more or all of the said obligations or liabilities to it, whether, except for this agreement, such liabilities or obligations would then be due or not, making proper rebate for interest on obligations or liabilities not otherwise then due, and returning the overplus, if any, to the undersigned, who agree to be and remain liable, jointly and severally, to the bank upon any of the said liabilities or obligations, or any part thereof not satisfied by the proceeds of such sale or sales or other disposition. The bank is hereby authorized at its option, at any time, whether the property held as security is deemed adequate or not, to appropriate and apply upon any of the said obligations or liabilities, whether now or hereafter existing, and whether then due or not due, any and all moneys now or hereafter in the hands of the bank, on deposit or otherwise, to the credit of or belonging to the undersigned, or any of them.

The bank may assign or transfer this instrument, or any instruments evidencing all or any of the obligations or liabilities hereinbefore mentioned, and may deliver the said property, or any part thereof, to the transferee or transferees, who shall thereupon become vested with all the powers and rights in respect thereto given to the bank herein or in the instruments transferred; and the bank shall thereafter be forever relieved and fully discharged from any liability or responsibility with respect thereto, but the bank shall retain all rights and powers hereby given with respect to any and all instruments, rights or property not so transferred. No delay on the part of the bank or any assignee or transferee of the said bank hereunder, in exercising any rights hereunder, shall operate as a waiver of its or their rights.

This agreement applies to all future as well as to all existing transactions between the undersigned, and each of them, and the bank, and shall not be affected, impaired, or released by the death of any of the undersigned, or by the death, resignation, or addition of any partner.

New York, ----- 19--

In consideration of one dollar paid to the undersigned, and of the making of the loans referred to in the within agreement, at the request of the undersigned, the undersigned hereby jointly and severally guarantees to the National City Bank of New York, its successors and assigns, the punctual payment, at maturity, of the loans so made, and hereby assent to all the terms and conditions of the said agreement, and consent that the securities for any such loan may be exchanged or surrendered from time to time, or the time of payment of the said loans or any of them extended, without notice to or further assent from the undersigned, who will remain bound upon this guaranty, notwithstanding such changes, surrender, or extension.

(b) Know all men my these presents, that the undersigned, in consideration of the financial accommodations given or to be given, or continued, to the undersigned, by or through the New York Trust Co., of the city of New York (herein called the company), hereby agrees with the company that whenever the undersigned is or shall become directly or contingently indebted to the company, the company shall have the following rights, in addition to those otherwise created, against the undersigned, or the executors, administrators, successors, and assigns of the undersigned, namely:

1. All stocks, bonds, or other securities or property deposited by or for account of the undersigned with the company as collateral to any such loan, indebtedness, or obligation of the undersigned to the company shall also be held by the company as security for any other liability or liabilities of the undersigned whether then existing or thereafter contracted, due or to become due; and for any such liability or liabilities the company shall also have a lien upon any balance of any deposit account of the undersigned with the company existing from time to time, and upon all property of every description, including securities now or hereafter given unto or left in possession or custody of the company for safekeeping or otherwise, or coming into the possession of the company in any way by or for account of the undersigned, or in which the undersigned may have any interest (all remittances and property to be deemed left with and in the possession of the company as soon as put in transit to it by mail or carrier), as security for any such liability or liabilities.

2. The company shall at all times have the right to require from the undersigned that there shall be lodged with the company as security for all then existing liabilities of the undersigned to the company, due or to become due, held or to be held by the company, collateral security to an amount and of a character satisfactory to the company. Upon the failure of the undersigned at any time, or at all times, to keep a margin of collateral security so satisfactory to the company, all such liabilities of the undersigned shall become at once due and payable, at the option of the company, without demand for payment thereof and notwithstanding any credit or time allowed to the undersigned by any instrument evidencing any of said liabilities or otherwise.

3. The company is hereby empowered, at its option at any time and from time to time and without notice, to appropriate and apply toward the payment and extinguishment of any such liabilities of the undersigned, whether now existing or hereafter contracted, any and all moneys or other property, or proceeds of the sale thereof, now or hereafter in the hands of the company on deposit or otherwise, for account of, to the credit of, or belonging to, the undersigned, whether such liabilities are then due or not due.

4. Upon the insolvency of, or any act of bankruptcy of, or upon the appointment of a receiver of the property of, or upon an assignment for the benefit of the creditors of, the undersigned, or upon the filing of any petition in bankruptcy against or by the undersigned, or upon any attachment against the credit or property of the undersigned with the company, or upon a suspension of the business of the undersigned, all such liabilities to the undersigned shall, at the option of the company and without notice, become immediately due and payable without demand for payment, notwithstanding any credit or time allowed to the undersigned by any instrument evidencing any of said liabilities.

5. Upon failure of the undersigned either to pay any indebtedness to the company or to anyone associated with the company as a participant, as below, when becoming or made due, or to keep up a margin of collateral securities above provided for, or to perform any other obligation required, then and in any such event the company may immediately, without demand of payment, without advertisement and without notice to the undersigned, all of which are hereby expressly waived by the undersigned, sell, assign, and deliver the whole of said securities or property so held by it, or from time to time any part thereof, or any substitutes therefor, or any addition thereto, at any broker's board or at public or private sale, for cash, upon credit or for future delivery, all at the option of the company, and after deducting all its costs and expenses, including attorneys' fees, incident to such sales and application, to apply the net proceeds thereof to one or more, or all, of such liabilities of the undersigned, whether then due or not, together with interest, any surplus to be returned to the undersigned, but any deficiency arising on such sale or sales and application to be paid by the undersigned, the undersigned to be liable to the company therefor. Upon any sale or sales at public auction or broker's board, or exchange above provided for, the company may bid for or purchase the whole, or any part, of the securities or property, free from any right of redemption by the undersigned, which is hereby waived and released. Upon default, as aforesaid, the company may also apply toward the payment of said liabilities all balances in any deposit accounts of the undersigned with the company.

6. All securities deposited by the undersigned with the company as collateral to any such liabilities of the undersigned may be pledged by the company, either alone or mingled with other securities, to the United States or to the Federal reserve bank, to secure deposits or other obligations of the company, whether or not such liability of the company be in excess of such liabilities of the undersigned.

7. The company may assign or transfer the whole or any part of any indebtedness, obligation, or liability of the undersigned, and may transfer therewith, or set apart as collateral security therefor, for account of such transferee, the whole or any part of the collateral of the undersigned, held by the company, and the transferee shall have the same rights and powers with reference to the indebtedness, obligation or liability transferred and to the collateral transferred therewith or so set apart and the disposition thereof as are hereby given to said company.

8. Wherever in this agreement an option is given to the company, such option may be exercised without notice to the undersigned.

9. As to any loan to the undersigned held by the company, the company may admit participants and, from time to time, change such participants or their participations. The provisions of this agreement as to the disposition of collateral shall also enure to the benefit of any or all such participants, so admitted, in the disposition of the collateral for such participation loans.

10. These presents constitute a continuing agreement, applying to any and all future, as well as to existing, transactions between the undersigned and the company.

Dated, New York, N. Y., the _____ day of _____, 19____.

Witness: _____ Address: _____

EXHIBIT No. 36, 'APRIL 21, 1932

(See p. 287, this hearing)

FORMS OF DAY LOAN AGREEMENTS

The eight forms of day loan agreements hereinafter enumerated and attached hereto have been collected at random by the New York Stock Exchange from corporations engaged in banking in New York City:

- (a) Day loan agreement used by Bankers' Trust Co.
- (b) Day loan agreement used by Central Hanover Bank & Trust Co.
- (c) Day loan agreement used by Chemical Bank & Trust Co.
- (d) Day loan agreement used by Guaranty Trust Co.
- (e) Day loan agreement used by Irving Trust Co.
- (f) Day loan agreement used by Manufacturers Trust Co.
- (g) Day loan agreement used by the National City Bank of New York.
- (h) Day loan agreement used by the Marine Midland Trust Co. of New York.

\$----- New York, -----

(a) The undersigned hereby applies to Bankers Trust Co. (hereafter called the bank) for a loan of \$-----, to be credited to the account of the undersigned, upon the terms and conditions below stated, and to be repaid at or before the close of business this day. The avails of said loan shall be received and used by the undersigned only for one or both of the following purposes: To pay, in whole or in part, the purchase price of, and thus to obtain certain securities which the undersigned has contracted to purchase and received; or to pay, in whole or in part, another loan or other loans heretofore made to the undersigned, and so to release certain securities held as collateral to such other loan or loans. The undersigned, as trustee for the bank, shall obtain possession of the securities aforesaid; and shall deliver or cause to be delivered the same to the bank as security for this loan before the close of business on this day, in negotiable form, unless in the meantime the amount of this loan shall have been repaid to the bank and until such delivery or repayment such securities shall be charged with such repayment. The undersigned may, however, before the close of business this day sell or transfer, for cash or its equivalent, or pledge for money contemporaneously loaned, or exchange for other securities, any or all of said certain securities, but the proceeds of such sales, exchanges, transfers, and pledges shall be received by the undersigned as trustee for the bank, and shall be delivered by the undersigned to the bank before the close of business this day where they shall be credited in payment pro tanto of said loan, and until such payment such proceeds received in exchange or upon any such sale, pledge, or transfer forthwith shall be in all respects like security and charged with the repayment of this loan and subject to the same trust for such repayment, and subject to the same right of the bank to possession, and otherwise, as herein provided in respect of the certain securities so exchanged.

The undersigned, as further security to the bank, hereby assigns to the bank, its successor and assigns, all of the right, title, and interest of the undersigned to and in the securities hereinabove referred to, and to and in any and all claims of the undersigned against third parties now existing and that may be created this day for the purchase price, or any present unpaid balance thereof, of any of said certain securities sold or that may be sold by the undersigned, and to and in all claims of the undersigned against customers of the undersigned for the balance due or to become due this day of the purchase price of any of said certain securities delivered or deliverable to such customers.

Nothing herein contained is intended to lessen the liability of the undersigned to the bank arising from the making of said loan, nor to impair or exclude the effect or application of any general collateral agreement given by the undersigned to the bank, nor to confer upon the undersigned any authority to create any liability on the part of the bank. The term "securities," as hereinbefore used, includes stock, bonds, evidences of indebtedness, or any other form of issue, individual or corporate.

\$----- New York, -----

(b) The undersigned hereby applies to the Central Hanover Bank & Trust Co. (hereafter called "the Bank & Trust Co.") for a loan of \$-----, to be credited to the account of the undersigned, upon the terms and conditions below stated, and to be repaid at or before the close of business this day. The avails of said loan shall be received and used by the undersigned only for one or both of the following purposes: To pay, in whole or in part, the purchase price of, and thus to obtain, certain securities which the undersigned has contracted to purchase and receive; or, to pay, in whole or in part, another loan or other loans heretofore made to the undersigned, and thus to release certain securities held as collateral to such other loan or loans. The undersigned, as trustee for the Bank & Trust Co., shall obtain possession of the securities aforesaid; and shall deliver, or caused to be delivered the same to the Bank & Trust Co., as security for this loan, before the close of business on this day, unless in the meantime the amount of this loan shall have been repaid to the Bank & Trust Co. The undersigned may, however, before the close of business this day, sell or transfer for cash or its equivalent, or pledge for money contemporaneously loaned, or exchange for other securities, any or all of said certain securities, but the proceeds of such sales, transfers, or pledges, shall be received by the undersigned as trustees for the Bank & Trust Co., and shall be

delivered by the undersigned to the Bank & Trust Co. before the close of business this day, where they shall be credited in payment pro tanto of said loan, and the securities received in exchange shall be in all respects charged with the same trust, and subject to the same right of the Bank & Trust Co. to possession, and otherwise, as herein provided in respect of the certain securities so exchanged.

The undersigned, as further security to the Bank & Trust Co., hereby assigns to the Bank & Trust Co., its successor and assigns, all of the right, title, and interest of the undersigned to and in the securities hereinabove referred to, and to and in any and all claims of the undersigned against third parties now existing and that may be created this day for the purchase price, or any present unpaid balance thereof, of any of said certain securities sold or that may be sold by the undersigned, and to and in all claims of the undersigned against customers of the undersigned for the balance due or to become due this day of the purchase price of any of said certain securities delivered or deliverable to such customers.

Nothing herein contained is intended to lessen the liability of the undersigned to the Bank & Trust Co. arising from the making of said loan; nor to impair the effect of any general collateral agreement given by the undersigned to the Bank & Trust Co., nor to confer upon the undersigned any authority to create any liability on the part of the Bank & Trust Co.

(c) _____, 19___
 CHEMICAL BANK & TRUST Co.,
New York, N. Y.

DEAR SIR: Please loan us and place to our credit \$_____, pursuant to our letter of the __ day of _____, 19___

Very truly yours,

_____, 19___
 CHEMICAL BANK & TRUST Co.,
New York, N. Y.

GENTLEMEN: Referring to the loan which you have to-day made us and to daily loans which may hereafter from time to time be made to us for the purpose of facilitating our business, which loans are to be repaid by us at the close of each business day, we beg to say that these loans are made for the purpose of enabling us to pay for the securities purchased by us or for the purpose of releasing securities heretofore pledged by us as security for loans.

In consideration of your making the above-mentioned loan we agree to pay all such loans during the same day they are made, and we also agree that the securities above referred to, or the proceeds of same, and all other securities which may hereafter from time to time be paid for or released with the proceeds of such daily loans shall be specifically held by us as your property to secure said loans and shall be turned over by us to you on demand as such security in case any such loan remain unpaid.

Yours very truly,

_____, 19___
 NEW YORK, _____, 19___

(d) The undersigned hereby applies to the Guaranty Trust Co. of New York (hereinafter called "the trust company") for a loan of \$_____, to be credited to the account of the undersigned, upon the conditions below, and to be repaid by the close of business this day.

The avails of said loan shall be used only for the following purposes:

(1) To pay, in whole or in part, the purchase price of securities which the undersigned has contracted to purchase and receive; or

(2) To pay, in whole or in part, other loans heretofore made to the undersigned, and to release to the undersigned securities held as collateral to such loans.

The securities received as aforesaid shall be kept separately from all other securities, and upon their receipt by the undersigned a lien or mortgage shall arise in favor of the trust company and an itemized list of said securities may

be attached to this instrument and made a part thereof before the close of business this day, and the undersigned hereby agrees to attach such itemized list in accordance with these terms at the demand of the trust company. The undersigned may, however, before the close of business this day, sell or transfer, for cash or its equivalent, or pledge for money contemporaneously loaned, or exchange for other securities, any or all of said securities mortgaged, but the proceeds of such sales, transfers, and pledges shall be substituted as security for this loan. Before the close of business this day, unless in the meantime the amount of this loan shall have been repaid to the trust company, such securities shall be delivered to the trust company.

The undersigned, as further security to the trust company, hereby assigns to the trust company, its successor and assigns, all of the right, title, and interest of the undersigned to and in the securities hereinabove referred to and to and in any and all claims of the undersigned against third parties now existing and that may be created this day for the purchase price, or any present unpaid balance thereof, of any of said securities sold or that may be sold by the undersigned, and to and in all claims of the undersigned against customers of the undersigned for the balance due or to become due this day of the purchase price of any of said securities delivered or deliverable to such customers.

Nothing herein contained is intended to lessen the liability of the undersigned to the trust company arising from the making of said loan, nor to impair the effect of any general collateral agreement given by the undersigned to the trust company, nor to confer upon the undersigned any authority to create any liability on the part of the trust company.

By _____

(e) DAY LOAN AGREEMENTS

\$_____ NEW YORK, _____, 193__

The undersigned hereby applies to Irving Trust Co. (hereinafter called "the company") for a loan of \$_____, upon the terms and conditions below stated, to be credited to the account of the undersigned with the company and to be repaid at or before 3 o'clock p. m. this day.

This loan is sought solely to be used in obtaining possession of the following securities, now located in the Borough of Manhattan, city of New York, viz:

The undersigned agrees to receive the avails of this loan in trust for the company and to use same on this day only to pay in whole or in part the purchase price of said securities and/or any other loan or loans heretofore made to the undersigned to which said securities are collateral. The undersigned, as trustee for the company, agrees to obtain possession of said securities and to deliver the same to the company before the hour mentioned as security for this loan, unless in the meantime the amount of this loan shall have been repaid to the company.

The undersigned as further security hereby assigns to the company all the present and future right, title, and interest of the undersigned in and to said securities, and also in and to any and all moneys, credits, claims, and other property which may be in any manner acquired by or through the proceeds of this loan. The undersigned agrees to execute and deliver to the company upon demand any evidence of this loan, any further power of disposition of collateral and any additional evidence of assignment in such form as the company may require.

After delivery of said securities to the company the same shall be held by it not only as security for this loan but also for any other existing or future liabilities of the undersigned to the company, whether direct or contingent.

In the event of the nonpayment of this loan, or of any of such other liabilities, or in the event of the bankruptcy, insolvency, failure in business of, or appointment of a receiver for, the undersigned, all outstanding liabilities of the undersigned to the company shall forthwith become due and payable without demand or notice, and the company may sell the whole or any part of the said collateral at public or private sale, or at any brokers' board, without

notice or advertisement of any kind, which is hereby waived, and may apply the net proceeds of such sale, after deducting all expenses incidental thereto, to the payment of this and/or any or all such other liabilities of the undersigned to the company, returning the overplus, if any, to the undersigned, and the undersigned agrees to remain liable for any deficiency arising on such sale or sales. At any such sale the company may itself purchase said collateral, or any part thereof, free from any right of redemption on the part of the undersigned, which right is hereby waived and released.

Nothing herein contained is intended to impair the liability of the undersigned to the company arising from the making of this loan, nor to affect any general collateral agreement or other agreement given by the undersigned to the company, nor to confer upon the undersigned any authority to create any liability on the part of the company.

§-----

NEW YORK, -----, 19---

(f) The undersigned hereby applies to Manufacturers Trust Co. in New York for a loan to the undersigned of \$----- to be credited to the undersigned's account, which will be received by us as a trust fund.

It is expressly agreed that all stocks, bonds, or other securities, or the proceeds thereof, purchased or paid for by the undersigned with, or which may come into possession or control of the undersigned out of the avails of, said loan shall be by the undersigned, or the undersigned's agent or representative, held in trust for and deposited with Manufacturers Trust Co. in New York (hereinafter termed the bank) as security for said loan, it being the intention and agreement of the undersigned to pledge and deposit with the bank and to subject to the lien and control of the bank as such pledgee the securities or moneys so acquired, as collateral to said loan and to any other obligation or indebtedness of the undersigned to the bank, and it is further agreed that the bank shall have a lien upon all property of the undersigned and all collaterals pledged by the undersigned, now or hereafter in possession of the bank, or under its control, as security for any indebtedness of the undersigned now existing or to become due or that may be hereafter contracted, with the right at any time to demand additional security and with the right, in case of a failure to comply with such demand for additional security or in case of default in payment, to sell as a whole or in such parts as it may deem advisable, without advertisement or notice to the undersigned, at any broker's board in the city of New York, or at public or private sale in the said city or elsewhere, or otherwise to dispose of the same in the discretion of any of the officers of the bank, without notice of amount due or claimed to be due, without advertisement, and without notice of the time or place of sale, each and every of which is hereby expressly waived, applying the proceeds thereof upon the said indebtedness, together with interest and expenses, legal or otherwise, the undersigned to be liable for any deficiency.

It is further agreed that, upon any sale by virtue hereof, the holder hereof may purchase the whole or any part of such property discharged from any right of redemption, which is hereby expressly released to the holder hereof, who shall have a claim against the maker hereof for any deficiency arising upon such sale.

It is further agreed that any moneys or property at any time in the possession of the bank belonging to the undersigned or any of them, and any deposits, balance of deposits, or other sums at any time credited by or due from the bank to the undersigned or any of them may at all times at the option of said bank be held and treated as collateral security for the payment of said loan whether due or not due, and said bank, may at any time at its option without demand for payment and without notice charge said loan to the account of the undersigned or to the account or accounts of any of the undersigned with the bank, or set off the amount due or to become due upon said loan against any claim of the undersigned or any of them against the bank.

Nothing herein contained is intended to lessen the liability of the undersigned to the bank arising from the making of said loan, nor to impair the effect of any general collateral loan agreement given by the undersigned to the bank, nor to confer upon the undersigned any authority to create any liability on the part of the bank.

\$----- NEW YORK, -----, 19---

(g) The undersigned hereby applies to the National City Bank of New York (hereinafter called "the bank") for a day loan of \$-----, to be credited by the bank to the undersigned's account with the bank, which loan will be received, as and if granted, by the undersigned as a trust fund, as security for which loan we are holding, and will hold in trust for your account until delivered to you or the loan is paid, collateral having a market value of 110 per cent of the amount of this loan. To induce the bank to grant said loan the undersigned hereby agrees to repay the same to-day at or before 3 o'clock p. m. to and at the head office of the bank, together with one day's interest thereon at the rate of 1 per cent per annum, and further agrees that all stocks, bonds, or other securities, or the proceeds thereof, held by us as collateral security as aforesaid, will be by us deposited with the bank in due form for transfer by 3 o'clock p. m. to-day, unless the loan is then paid, the same being at the risk of the undersigned until actually delivered to and received by the bank. It is further agreed that nothing herein shall be construed as a waiver on the part of the bank of the right at its option to possess itself at any time of the property, or any part thereof, herein pledged. It is further agreed that the bank shall have the right at any time, in event of default in payment of the said loan, to sell, without advertisement or notice to the undersigned, at any broker's board in the city of New York or at public or private sale in the said city or elsewhere, or otherwise to dispose of the same in the discretion of any of the officers of the bank, without notice of amount due or claimed to be due, and without notice of the time or place of sale, each and every of which is hereby expressly waived, any or all of the securities which may come into the possession of the bank hereunder or pursuant to the provisions hereof, applying the proceeds thereof upon the said indebtedness, together with legal interest and expenses, the undersigned to be liable for any deficiency with legal interest.

It is further agreed that, upon the sale by virtue hereof, the bank may purchase the whole or any part of such property discharged from any right of redemption, which is hereby expressly released to the bank which shall have a claim as above defined, against the maker hereof for any deficiency arising from such sale.

(h) NEW YORK, -----, 193---

The MARINE MIDLAND TRUST Co. OF NEW YORK,
New York City.

DEAR SIR: Please place to the credit of the undersigned to-day avails of loan(s) to the undersigned of aggregating \$-----, which loan(s) the undersigned hereby agree(s) to repay to you by the close of business to-day. The avails of said loan(s) shall be used only to procure securities and/or stocks by the payment in whole or in part of the purchase price thereof and/or of the loans to secure which said securities and/or stocks are pledged as collateral.

The undersigned hereby assign(s) to you the securities and/or stocks above referred to and/or the proceeds thereof and/or any claims against any purchaser of any of said securities and/or stocks for the purchase price thereof and all other securities and/or stocks which may hereafter from time to time be paid for or released with the proceeds of said loan(s) and agree(s) that the same shall be kept separately from all other securities and/or stocks and shall be specifically held by the undersigned as your property to secure said loan(s) and shall be turned over to you by the undersigned upon demand upon failure of the undersigned to repay said loan(s) as above provided. An itemized list of said securities and/or stocks and/or the proceeds of the sale of any thereof and/or any claims for the purchase price of any thereof sold or transferred may be attached hereto at any time and made a part hereof, and the undersigned hereby agree(s) to attach said itemized list forthwith upon demand.

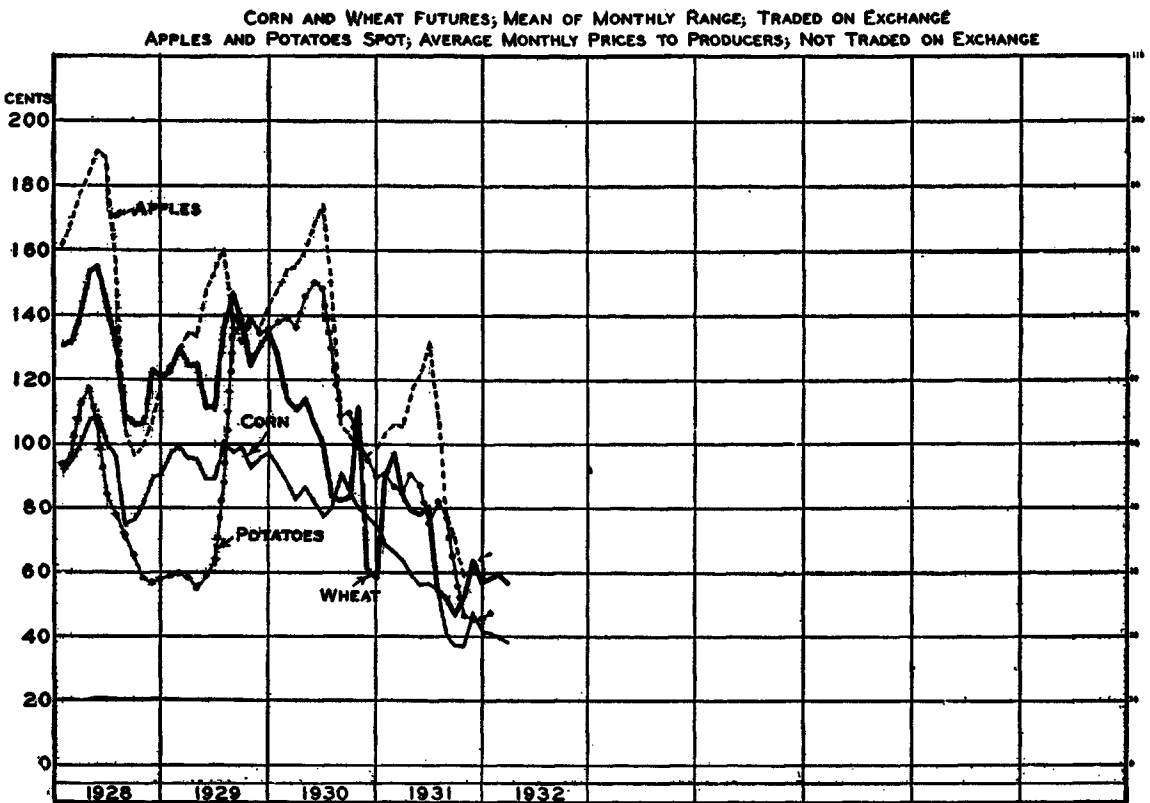
Anything herein contained to the contrary notwithstanding, the undersigned may sell or transfer for cash or its equivalent or pledge for money contemporaneously loaned or exchange for other securities and/or stocks any or all of said securities and/or stocks hereby mortgaged, but the proceeds of any such sale or transfer and/or any claim of the undersigned against any of its customers for the purchase price or any part thereof of any securities and/or stocks so sold or transferred and any securities and/or stocks received in exchange shall forthwith upon such sale, transfer, and/or exchange be and become subject to all the terms hereof as if originally included herein.

Nothing herein contained is intended to nor shall diminish the liability of the undersigned to you upon said loan (s) nor affect the obligations of the undersigned or impair your rights under any other agreement between you and the undersigned nor confer upon the undersigned any authority to create any liability on your part whatsoever.

By _____
A Partner.

EXHIBIT No. 37, APRIL 21, 1932

(See p. 287, this hearing)



Corn and wheat futures¹ (the mean of the monthly range is used) and apples and potatoes²

	Wheat	Corn	Apples	Pota- toes		Wheat	Corn	Apples	Pota- toes
1928	Dollars	Dollars	Cents	Cents	1930	Dollars	Dollars	Cents	Cents
January	1.310	0.913	161.7	93.6	January	1.283	0.930	148.3	137.8
February	1.318	.953	168.3	96.2	February	1.136	.885	154.0	139.1
March	1.391	.996	177.0	113.1	March	1.112	.831	165.2	136.3
April	1.538	1.077	183.3	116.8	April	1.141	.869	159.9	145.8
May	1.550	1.086	190.6	103.3	May	1.074	.821	168.2	149.9
June	1.439	1.000	188.7	83.6	June	1.016	.776	173.6	148.6
July	1.314	.964	166.0	77.4	July	.836	.801	144.8	129.4
August	1.189	.753	105.5	71.9	August	.826	.909	106.3	108.8
September	1.163	.766	96.6	64.8	September	.829	.859	103.2	109.9
October	1.164	.809	99.4	58.0	October	1.117	.794	98.4	101.4
November	1.230	.896	107.9	56.9	November	.609	.771	96.7	95.0
December	1.210	.901	118.5	57.7	December	.584	.745	98.8	89.8
1929					1931				
January	1.231	.970	124.1	58.9	January	.906	.682	103.8	90.3
February	1.300	.994	129.9	59.5	February	.979	.664	106.0	86.7
March	1.249	.959	134.1	58.4	March	.844	.640	105.5	84.9
April	1.249	.954	133.5	55.3	April	.796	.597	117.1	90.8
May	1.117	.888	147.9	59.3	May	.781	.563	121.9	87.0
June	1.118	.888	153.1	63.7	June	.809	.566	131.5	75.3
July	1.354	1.009	160.5	88.0	July	.543	.543	107.9	82.5
August	1.469	.978	138.9	139.1	August	.520	.404	77.4	76.7
September	1.390	.990	131.0	136.0	September	.478	.374	70.7	60.1
October	1.255	.931	137.9	138.2	October	.531	.371	58.9	46.2
November	1.311	.958	135.6	134.8	November	.639	.477	61.3	45.7
December	1.344	.971	143.4	135.3	December	.571	.417	65.0	45.7
					1932				
					January	.584	.411	66.0	47.1
					February	.598	.398		
					March	.570	.381		

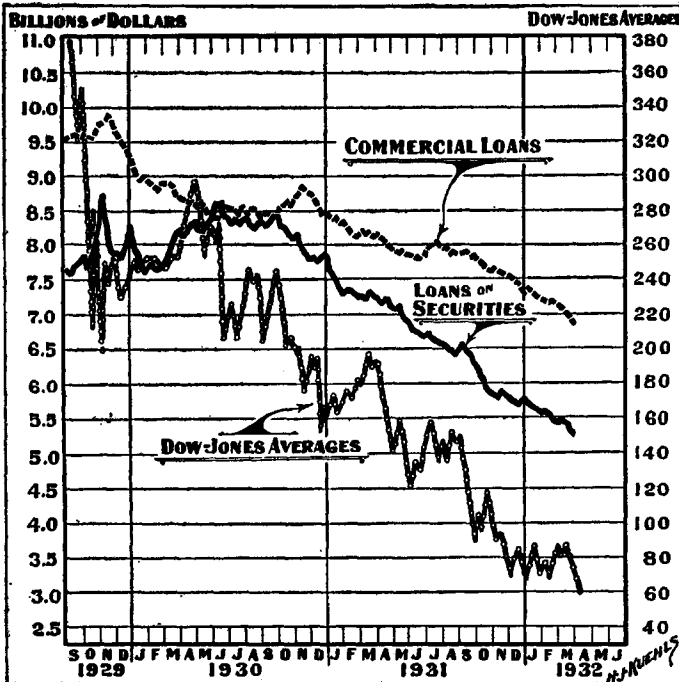
¹ Source: Howard Bartels & Co. (Inc.), Chicago Red Book—May futures used November to March, inclusive; September futures used April to July, inclusive; December futures used August to October, inclusive.

² Source: Crops and Markets, U. S. Department of Agriculture.

EXHIBIT No. 38, APRIL 21, 1932

(See p. 287 of this hearing)

CHART ENTITLED "COMPARISON OF THE STOCK AVERAGES WITH RESERVE LOAN FIGURES"



LISTING APPLICATION FILED WITH THE NEW YORK STOCK EXCHANGE FEBRUARY 15, 1929, BY THE RADIO CORPORATION OF AMERICA

(See p. 565 of this hearing)

COMMITTEE ON STOCK LIST, NEW YORK STOCK EXCHANGE

RADIO CORPORATION OF AMERICA

(A holding and operating company organized under the laws of the State of Delaware October 17, 1919)

*B preferred stock without nominal or par value, \$5 cumulative (nonvoting)—
common stock without nominal or par value (voting)*

New listing	B preferred stock	Common stock
	<i>Shares</i>	<i>Shares</i>
Shares to be authorized by charter.....	813,365	7,500,000
Authorized for issuance.....	803,404	6,580,404
Outstanding.....	None	None
Listing applied for.....	803,404	6,580,404
Authorized by directors.....		Jan. 4, 1929
To be authorized by stockholders.....		Feb. 27, 1929
Certificate of amendment to certificate of incorporation to be filed in office of secretary of state of Delaware.....		Mar. 1, 1929
No other authority required.		

Capital securities

OLD CAPITALIZATION

Capital stocks	Par value	Number of shares			
		Authorized by charter	Authorized for issuance	Listed	Outstanding
A preferred stock.....	\$50	500,000	395,600	395,597 $\frac{1}{10}$	1,390,513
A common stock.....	No par.	1,500,000	1,155,400	1,155,400	11,144,581 $\frac{3}{4}$

¹ In addition, there are outstanding 14,873 shares of the corporation's original 7 per cent cumulative preferred stock of \$5 per share par value, and 18,122 shares of its original common stock without nominal or par value. Against the said 14,873 shares of the original preferred stock, and against 35,971 shares of common stock of Marconi Wireless Telegraph Co. of America still unsundered, both of which are convertible into A preferred stock at the rate of 10 shares of the original preferred stock or 10 shares of the Marconi common stock for 1 share of A preferred stock, there are issuable 5,064 $\frac{1}{10}$ shares of the authorized but unissued A preferred stock. Against the said 18,122 shares of the original common stock, and against 35,971 shares of the said Marconi common stock still unsundered, both of which are convertible into A common stock at the rate of 5 shares of the original common stock or 5 shares of the Marconi common stock for 1 share of A common stock, there are issuable 10,813 $\frac{3}{4}$ shares of the authorized but unissued A common stock.

PROPOSED NEW CAPITALIZATION

A preferred stock.....	\$50	500,000	395,600	395,597 $\frac{1}{10}$	390,513
B preferred stock.....	No par.	813,365	803,404	803,404	-----
Common stock.....	No par.	7,500,000	6,580,404	6,580,404	-----

NEW YORK, February 15, 1929.

Referring to its previous application, A-6437, dated September 9, 1924, Radio Corporation of America (hereinafter referred to as the Corporation) hereby makes application for the listing on the New York Stock Exchange of temporary certificates for: (1) 803,404 shares of its B preferred stock without par value, on official notice of issuance thereof in connection with the acquisition of the common stock of Victor Talking Machine Co. (hereinafter referred to as Victor), as hereinbelow more fully set forth; and (2) 6,580,404 shares of its common stock without par value, on official notice of issuance thereof in ex-

change for 1,155,400 shares of its A common stock now outstanding (or issuable) and listed and in connection with the acquisition of the common stock of Victor, all as hereinbelow more fully set forth, with authority to add to the list permanent engraved certificates on official notice of issuance in exchange for temporary certificates.

All of said shares will be, when issued, full paid and nonassessable, with no personal liability attaching to the stockholders.

AUTHORITY FOR ISSUE

On January 28, 1929, the board of directors of the corporation recommended to the stockholders the amendment of article fourth of the certificate of incorporation so as to provide for the creation of the B preferred stock and to provide for the reclassification of the A common stock of the corporation into new common stock without par value in the ratio of five shares of the new common stock for each share of the A common stock.

The proposed amendment of the certificate of incorporation will be submitted for approval to the stockholders of the corporation at a special meeting to be held February 27, 1929, and the issuance of the B preferred stock and new common stock in the amounts and for the purposes herein set forth is expected to be authorized at that time.

The certificate of amendment will be filed with the secretary of state of Delaware on the 1st day of March, 1929.

No further authorization required.

PURPOSE OF ISSUE

Pursuant to the aforesaid proposed amendment, and to a plan and agreement dated January 4, 1929, between the Corporation, J. & W. Seligman & Co., and Speyer & Co., managers, and the holders of common stock of Victor, the stock which is the subject of this application will be issued for the following purposes:

Shares of the B preferred stock, not to exceed 803,404, and shares of the common stock without par value, not to exceed 803,404, will be issued in exchange for shares of the common stock of Victor, at the rate of one share of B preferred stock, one share of common stock and \$5 in cash (less any dividends paid on Victor common stock in excess of regular dividends at the rate of \$4 per share per annum) for each share of common stock of Victor; common stock not to exceed 5,777,000 shares will be issued in exchange for the 1,155,400 shares of A common stock of the corporation now outstanding (or issuable) at the rate of five shares of common stock for each one share of A common stock, making the total amounts of said stocks to be issued 803,404 shares of B preferred stock and 6,580,404 shares of common stock.

The corporation will capitalize on a conservative basis the assets acquired in the proposed Victor exchange, and will not allocate to surplus therefrom an amount greater than the amount of the unappropriated surplus shown on the books of Victor at the date of the acquisition of the Victor stock by the corporation.

STOCK PROVISIONS

For a complete statement of the stock provisions of the corporation reference is made to Exhibit A hereto annexed.

HISTORY AND ORGANIZATION

The corporation was organized October 17, 1919, under the laws of the State of Delaware. For a statement of its history and business reference is made to its previous application No. A-6437.

SUBSIDIARY CORPORATIONS

Since its previous application, No. A-6437, the corporation has acquired the following subsidiaries:

Name of company	Date of incorporation	State in which incorporated	Duration of charter	Business	Capital stock authorized	Par value or number of shares issued	Owned by corporation	
							Par value or number of shares	Per cent
E. T. Cunningham (Inc.).....	Feb. 5, 1926	Delaware.....	Perpetual.....	Selling tubes.....	1 \$25,000	1 \$25,000	1 \$13,750	55
National Broadcasting Co.....	Sept. 9, 1926	do.....	do.....	Broadcasting.....	1 50,000	1 33,000	1 16,500	50
Radiomarine Corporation of America.....	Dec. 31, 1927	do.....	do.....	Marine communication and selling.....	5,000,000	\$2,500,000	2,500,000	100
Radio Corporation of the Philippines.....	Oct. 4, 1924	Philippine Islands.....	do.....	Radio communication and selling.....	200,000	87,350	87,350	100
Radio Corporation of Brazil (Inc.).....	Oct. 23, 1928	Delaware.....	do.....	Selling.....	10,000	10,000	10,000	100
Radio Corporation of Argentina (Inc.).....	do.....	do.....	do.....	do.....	25,000	25,000	25,000	100

¹ Shares.

Since its previous application No. A-6437 the corporation has disposed of the following subsidiaries:

Name of company	Date of incorporation	State in which incorporated	Duration of charter	Business	Capital stock authorized	Par value or number of shares issued	Previously owned by corporation	
							Par value or number of shares	Per cent
Illinois Radio Corporation of America ¹	Oct. 9, 1914	Illinois.....	99 years.....	Public communications.....	\$10,000	\$5,000	\$5,000	100
The Radio Corporation of America-Ohio Co. ¹	Mar. 19, 1921	Ohio.....	Unlimited.....	Selling and ship service.....	50,000	50,000	50,000	100
Wireless Press (Inc.) ²	Nov. 23, 1916	New York.....	Perpetual.....	Publishing.....	25,000	25,000	25,000	100
Radio Corporation of America ²	Feb. 7, 1923	Illinois.....	do.....	Selling.....	25,000	25,000	25,000	100

¹ Transferred to Radiomarine Corporation of America.

² Dissolved.

PROPERTIES

Since its previous application No. A-6437 there have been no important additions to or subtractions from the properties of the corporation.

DEPRECIATION POLICY

The corporation's depreciation policy with respect to patents is to amortize the cost of each patent on a yearly basis over its life, so that when the patent expires it will be written off the corporation's books.

As to property and apparatus, the corporation's rates of depreciation, based on the estimated useful life of the properties, are as follows:

	Per cent per annum
High power transoceanic wireless station apparatus and equipment.....	4
Ship station apparatus and equipment.....	10
Marine coastal apparatus and equipment.....	5
Station inventories.....	5
Merchandise inventories (average).....	10
Furniture and fixtures.....	10

In addition to the foregoing reserves have been built up by appropriations of surplus.

FINANCIAL STATEMENTS

The following financial statements of the corporation are given:

- (A) Consolidated balance sheet as at December 31, 1927.
 - (B) Consolidated balance sheet as at December 31, 1926.
 - (C) Consolidated income statement for five years ended December 31, 1928.
 - (D) Consolidated surplus account for two years ended December 31, 1927.
- (For financial statements of Victor see Exhibit B, hereto annexed.)

RADIO CORPORATION OF AMERICA AND SUBSIDIARY COMPANIES

(a) Consolidated balance sheet as at December 31, 1927

ASSETS		
Plant and equipment:		
Comprising high power, ship, marine, and broadcasting stations in operation, with the necessary equipment, etc.....	\$14, 225, 245. 48	
Less reserves	7, 683, 633. 66	
		\$6, 541, 611. 82
Office building at 66 Broad Street, New York City, and other real estate.....	1, 302, 439. 06	
Less reserves	108, 638. 58	
		1, 193, 800. 48
Construction work in progress.....		836, 739. 15
Patents and patent rights.....	12, 671, 183. 27	
Less reserve for amortization.....	7, 155, 640. 51	
		5, 515, 542. 76
Contracts and good will.....		1. 00
Investments in and advances to associated companies	7, 145, 469. 77	
Less reserves	612, 400. 00	
		6, 533, 069. 77
Deferred charges.....		196, 494. 87
Current assets:		
Cash in banks and on hand.....	4, 235, 400. 83	
Collateral call loans.....	3, 500, 000. 00	
Marketable securities at cost (Dec. 31, 1927, market value in excess of cost).....	10, 542, 329. 87	
Notes and trade acceptances receivable	\$87, 974. 53	
Accounts receivable	10, 408, 073. 05	
	10, 496, 047. 58	
Less reserve	291, 691. 42	
		10, 204, 356. 16

Current assets—Continued	
Inventories at cost—	
Merchandise	\$5,548,368.24
Ship, shore, and high- power apparatus.....	724,927.71
	<hr/>
	6,273,295.95
Less reserves	1,375,467.15
	<hr/>
	\$4,897,828.80
Total current assets.....	<hr/>
	\$33,379,915.66
	<hr/>
	54,197,175.51
	<hr/>

LIABILITIES AND CAPITAL

Capital stock:	
A preferred, 7 per cent, par value \$50 per share—	
Authorized, 500,000 shares, issued, 395,597.4 shares....	19,779,870.00
A common, no par value—	
Authorized, 1,500,000 shares, issued, 1,155,400 shares....	13,767,263.56
	<hr/>
Total capital stock.....	33,547,133.56
Current liabilities:	
Current accounts payable.....	\$9,145,015.76
1927 Federal income tax accrued.....	1,405,000.00
Other accruals.....	10,789.71
Dividends declared and unpaid.....	349,813.30
	<hr/>
	10,910,618.77
Deferred liabilities.....	
	290,000.00
Reserves:	
General reserve.....	1,500,000.00
Other reserves.....	919,801.67
	<hr/>
	2,419,801.67
Surplus.....	7,029,621.51
	<hr/>
	54,197,175.51

(B) Consolidated balance sheet as at December 31, 1926

ASSETS

Plant and equipment: Comprising high-power, ship, marine, and broadcasting stations in operation with the necessary equip- ment, together with experimental stations, construction work in progress, sundry machinery, tools, furniture, etc.....		\$14,916,863.20
Patents and patent rights.....		12,507,067.53
Investments in and advances to subsidiary and associated com- panies.....		7,191,339.78
Deferred charges.....		375,628.83
Installation work for foreign customers.....		200,801.84
Current assets:		
Cash in banks and on hand.....	\$4,235,755.25	
Notes receivable and trade acceptances.....	86,489.21	
Accounts receivable.....	7,042,158.37	
Inventories (at cost):		
Merchandise.....	\$13,054,748.94	
Ship, shore, and high-power apparatus	1,078,581.08	
	<hr/>	14,133,330.02
Investments in marketable securities at cost (Dec. 31, 1926, market value is in excess of cost).....	1,286,998.18	
	<hr/>	26,784,731.03
Total current assets.....		<hr/>
		61,976,432.21
		<hr/>

LIABILITIES AND CAPITAL

Capital stock:			
395,597.4 shares 7 per cent A preferred, \$50 par value-----		\$19,779,870.00	
1,155,400 shares A common (no par value)-----		13,767,263.56	
Total capital stock-----			33,547,133.56
Current liabilities:			
Current accounts payable-----	\$6,326,064.69		
1926 Federal income tax accrued-----	940,015.18		
Other accruals-----	8,645.61		
Dividends declared and unpaid-----	342,181.79		
			7,616,907.27
Deferred liabilities-----			370,000.00
Reserves:			
For amortization of patents after writing off patents expired-----	5,490,745.21		
For depreciation and obsolescence of plant and inventories-----	5,463,008.69		
For investments in and advances to subsidiary and associated companies-----	1,653,471.22		
General reserve-----	750,000.00		
Other reserves-----	967,858.07		
			14,325,083.19
Surplus-----			6,117,308.19
			61,976,432.21

(c) Consolidated income statement for the five years ended December 31, 1928

[December partly estimated]

	1924	1925	1926	1927	1928
Gross income from operations:					
Gross sales-----	\$50,747,202.24	\$46,251,785.86	\$56,009,607.63	\$56,651,658.37	\$86,900,000.00
From trans-oceanic communications-----	3,358,584.31	3,418,179.09	3,599,686.36	3,934,367.16	4,593,000.00
From marine services-----	742,345.03	735,179.29	828,167.80	990,954.10	1,521,000.00
From royalties-----				3,310,722.21	5,177,000.00
From real estate operations-----				194,372.64	202,000.00
From other income-----	493,708.92	763,999.02	498,304.01	336,546.14	2,138,000.00
	55,341,840.50	51,169,143.26	60,935,765.80	65,418,620.62	100,531,000.00
Deduct: General operating and administrative expenses depreciation, and cost of sales-----	45,838,398.44	45,431,937.11	53,568,686.09	53,618,970.34	77,729,000.00
	9,503,442.06	5,737,206.15	7,367,099.71	11,799,650.28	22,802,000.00
Deduct:					
Amortization of patents-----	989,907.39	960,145.13	944,589.83	966,095.30	1,112,000.00
Federal income taxes-----	1,100,000.00	700,000.00	940,500.00	1,405,235.11	2,507,000.00
Organization expenses-----	275,000.00				
Goodwill-----	628,699.40	700,000.00			
Reserve for foreign investments-----	414,235.89	4,524,067.72	100,000.00	100,000.00	100,000.00
Losses on old Marconi accounts-----	1,356,357.07				
General reserve-----			750,000.00	750,000.00	
Employees' pension fund-----				100,000.00	100,000.00
	4,762,199.75	2,884,212.85	2,725,089.83	3,321,330.41	3,819,000.00
Transferred to surplus-----	4,741,242.31	2,852,993.30	4,632,009.88	8,478,319.87	18,983,000.00
Depreciation amounts-----	525,116.00	638,712.00	786,483.00	806,634.00	801,045.00

(d) Consolidated surplus account for two years ended December 31, 1927

Surplus at Dec. 31, 1925-----		\$6, 353, 563. 02
Add:		
Transferred from consolidated income state- ment—		
Year, 1926-----	\$4, 632, 009. 88	
Year, 1927-----	8, 478, 319. 87	
	<hr/>	13, 110, 329. 75
Prior period adjustments (in 1926)----	101, 453. 33	
	<hr/>	13, 211, 783. 08
		<hr/>
		19, 565, 346. 10
Deduct:		
7 per cent dividends declared on preferred A stock:		
Year, 1926-----	1, 368, 264. 71	
Year, 1927-----	1, 368, 149. 81	
	<hr/>	2, 736, 414. 52
Balance of good will written off (in 1926)---	3, 500, 000. 00	
Special addition to reserve for depreciation and obsolescence of plant and equipment (in 1927)-----	4, 500, 000. 00	
Machinery, tools, and furniture written down to \$1 (in 1927)-----	799, 310. 07	
Patent account written down (in 1927)----	1, 000, 000. 00	
	<hr/>	12, 535, 724. 59
		<hr/>
Surplus at Dec. 31, 1927-----		7, 029, 621. 51

AGREEMENTS

Radio Corporation of America agrees with the New York Stock Exchange as follows:

Not to dispose of an integral asset or its stock interest in any constituent, subsidiary, owned, or controlled company, or allow any of said constituent, subsidiary, owned, or controlled companies to dispose of an integral asset or stock interest in other companies unless for retirement and cancellation, without notice to the stock exchange.

To publish statement of earnings quarterly.

To publish once in each year and submit to the stockholders, at least 15 days in advance of the annual meeting of the corporation, a statement of its financial condition, a consolidated income account covering the previous fiscal year; and a consolidated balance sheet showing assets and liabilities at the end of the year; or an income account and balance sheet of the parent company and of all constituent, subsidiary, owned, or controlled companies.

To maintain in accordance with the rules of the stock exchange a transfer office or agency in the Borough of Manhattan, city of New York, where all listed securities shall be directly transferable and the principal of all listed securities, with interest or dividends thereon, shall be payable; also a registry office in the Borough of Manhattan, city of New York, other than its transfer office or agency in said city, where all listed securities shall be registered.

To notify the stock exchange 30 days in advance of the effective date of any change in the authorized amounts of listed securities.

Not to make any change in listed securities, of a transfer agency, or of a registrar of its stock, or of a trustee of its bonds or other securities, without the approval of the committee on stock list, and not to select as a trustee an officer or director of the corporation.

To notify the stock exchange in the event of the issuance or creation in any form or manner of any rights to subscribe to or to be allotted its securities, or of any other rights or benefits pertaining to ownership in its securities, so as to afford the holders of its securities a proper period within which to record their interests, and that all rights to subscribe or to receive allotments and all other such rights and benefits shall be transferable, and shall be transferable, payable, and deliverable in the Borough of Manhattan, city of New York.

To make application to the stock exchange for the listing of additional amounts of listed securities prior to the issuance thereof.

To publish promptly to holders of bonds and stocks any action in respect to interest on bonds, dividends on shares, or allotment of rights for subscription to securities, notices thereof to be sent to the stock exchange, and to give to the stock exchange at least 10 days' notice in advance of the closing of the transfer books or extensions or the taking of a record of holders for any purpose.

To redeem preferred stock in accordance with the requirements.

To notify the stock exchange if deposited collateral is changed or removed.

To have on hand at all times a sufficient supply of certificates to meet the demands for transfer.

GENERAL

The fiscal year of the corporation is the calendar year.

The annual meeting of the stockholders is held at 3 o'clock in the afternoon on the first Tuesday of May in each year (or if such day be a holiday, then on the next succeeding day not a holiday) at the principal office of the corporation outside the State of Delaware, namely, 233 Broadway, New York City, N. Y. In addition to said principal office outside the State of Delaware the corporation maintains offices at 7 West Tenth Street, Wilmington, Del.; 66 Broad Street, New York, N. Y.; and 443 California Street, San Francisco, Calif.

The directors are: Gordon Abbott, Cornelius N. Bliss, Arthur E. Braun, Paul D. Cravath, Albert G. Davis, Harry P. Davis, John Hays Hammond, jr., James G. Harbord, Edward W. Harden, Edwin M. Herr, Edward J. Nally, Edwin W. Rice, jr., Andrew W. Robertson, David Sarnoff, James R. Sheffield, Gerard Swope, Owen D. Young.

The officers are: Owen D. Young, chairman of the board; James G. Harbord, president; David Sarnoff, executive vice president; William Brown, vice president and general counsel; Manton Davis, vice president and general attorney; Joseph L. Ray, vice president and general sales manager; Alfred N. Goldsmith, vice president and chief broadcast engineer; Charles J. Ross, comptroller; George S. De Sousa, treasurer; Lewis MacConnach, secretary.

The transfer agents will be: A preferred stock and common stock, Corporation Trust Co., 120 Broadway, New York, N. Y.; B preferred stock, Central Union Trust Co. of New York, 80 Broadway, New York, N. Y.

The registrars will be: A preferred stock and common stock, The New York Trust Co., 100 Broadway, New York, N. Y.; B preferred stock, The Chase National Bank of the City of New York, 57 Broadway, New York, N. Y.

RADIO CORPORATION OF AMERICA,
By WM. BROWN, *Vice President*.

This committee recommends that the above-described temporary certificates for 803,404 shares of class B preferred stock, without par value, be admitted to the list, on official notice of issuance for acquisition of the common stock of Victor Talking Machine Co., and that temporary certificates for 6,580,404 shares of common stock without nominal or par value be admitted to the list, on official notice of issuance in exchange for present outstanding shares of class A common stock, with authority to admit permanent engraved certificates, on official notice of issuance in exchange for outstanding temporary certificates for common and preferred stock certificates, all in accordance with the terms of this application.

ROBERT GIBSON, *Chairman*.

Adopted by the governing committee, February 27, 1929.

ASHBEL GREEN, *Secretary*.

MARCH 1, 1929.

Certificate of amendment to certificate of incorporation approved at meeting of stockholders held February 27, 1929, filed this day in the office of the Secretary of State of the State of Delaware.

RADIO CORPORATION OF AMERICA,
By WM. BROWN, *Vice President*.

EXHIBITS

These exhibits constitute an essential part of the application. The statements of fact contained in them are made on the authority of the applicant corporation in the same manner as those in the body of the application.

EXHIBIT A

RADIO CORPORATION OF AMERICA—PROPOSED AMENDED FORM OF ARTICLE FOURTH OF CERTIFICATE OF INCORPORATION

Fourth. The total number of shares of capital stock that may be issued by the corporation is 8,813,365, of which 500,000 shares, of the par value of \$50 each and of the aggregate par value of \$25,000,000, shall be "A" preferred stock; 813,365 shares, without par value, shall be "B" preferred stock; and 7,500,000 shares, without par value, shall be common stock.

A description of the different classes of stock of the corporation and a statement of the relative rights of the holders of stock of such classes are as follows:

I. The holders of the "A" preferred stock shall be entitled to receive out of the net profits or net assets of the corporation applicable to dividends, when and as declared by the board of directors, cash dividends at the rate of 7 per cent per annum upon the par value thereof, and no more, payable quarterly on the 1st days of January, April, July, and October in each year, from the first day of the quarterly dividend period in which such stock shall have been issued, before any dividends shall be declared and paid upon or set apart for the "B" preferred stock or the common stock. Dividend upon the "A" preferred stock shall after January 1, 1924, be cumulative, so that if after January 1, 1924, dividends upon the outstanding "A" preferred stock at the rate of 7 per cent per annum upon the par value thereof, from January 1, 1924, or, in the case of stock issued after January 1, 1924, from the first day of the quarterly dividend period in which such stock shall have been issued, to the end of the then current quarterly dividend period for such stock shall not have been paid or declared and a sum sufficient for the payment thereof set apart, the amount of the deficiency shall be paid, but without interest, or dividends in such amount declared and set apart for payment before any dividends shall be declared or paid upon or set apart for, or any other distribution shall be ordered or made in respect of, the "B" preferred stock or the common stock or any "B" preferred stock or common stock shall be purchased by the corporation.

II. After the requirements in respect of dividends upon the "A" preferred stock, as hereinbefore set forth, to the end of the then current quarterly dividend period for such stock shall have been met, the holders of the "B" preferred stock shall be entitled to receive out of any remaining net profits or net assets of the corporation applicable to dividends, when and as declared by the board of directors, cash dividends at the rate of \$5 per share per annum, and no more, payable quarterly on the 1st days of January, April, July, and October in each year, from the date of issue thereof, or in case of stock issued on or after July 1, 1929, from the first day of the quarterly dividend period in which such stock shall have been issued, before any dividends shall be declared and paid upon or set apart for the common stock. Dividends upon the "B" preferred stock shall be cumulative, so that if dividends upon the outstanding "B" preferred stock at the rate of \$5 per share per annum from the date of issue thereof, or, in case of stock issued on or after July 1, 1929, from the first day of the quarterly dividend period in which such stock shall have been issued, to the end of the then current quarterly dividend period for such stock shall not have been paid or declared and a sum sufficient for the payment thereof set apart, the amount of the deficiency shall be paid, but without interest, or dividends in such amount declared and set apart for payment before any dividends shall be declared or paid upon or set apart for, or any other distribution shall be ordered or made in respect of, the common stock or any common stock shall be purchased by the corporation.

III. After the requirements in respect of dividends upon the A preferred stock and the B preferred stock, as hereinbefore set forth, to the end of the

then current quarterly dividend period for said two classes of stock, shall have been met, the holders of the common stock shall be entitled to receive out of any remaining net profits or net assets of the corporation applicable to dividends such dividends as may from time to time be declared by the board of directors, and the holders of the common stock shall be entitled to share ratably in any dividends as declared to the exclusion of the holders of the A preferred stock and of the B preferred stock.

IV. Anything herein contained to the contrary notwithstanding, the rights of the holders of all classes of stock of the corporation in respect of dividends shall at all times be subject to the power of the board of directors from time to time to set aside such reserves and/or to make such other provisions, if any, for working capital and for additions and improvements to its plant and for acquisition of real or personal property for enlargement of its business and for general expansion of its business and for any other reserve or reserves for any proper purpose as said board shall deem to be necessary or advisable.

V. (a) The A preferred stock shall be preferred over the B preferred stock and the common stock as to assets, and in the event of any liquidation or dissolution or winding up of the corporation (whether voluntary or involuntary) the holders of the A preferred stock shall be entitled to receive out of the assets of the corporation available for distribution to its stockholders, whether from capital, surplus, or earnings, an amount equal to the par value thereof, with all dividends accrued or in arrears, for every share of their holdings of A preferred stock before any distribution of the assets shall be made to the holders of the B preferred stock or of the common stock, and shall be entitled to no other or further distribution. If upon any such liquidation, dissolution, or winding up of the corporation the assets thus distributable among the holders of the A preferred stock shall be insufficient to permit the payment to such A preferred stockholders of the preferential amounts aforesaid, then the entire assets of the corporation thus distributable shall be distributed ratably among the holders of the A preferred stock.

(b) The B preferred stock shall be preferred over the common stock as to assets, and in the event of any liquidation or dissolution or winding up of the corporation (whether voluntary or involuntary), after payment in full of the amounts hereinbefore stated to be payable in respect of the A preferred stock, the holders of the B preferred stock shall be entitled to receive out of the remaining assets of the corporation available for distribution to its stockholders, whether from capital, surplus, or earnings, an amount equal to \$100 per share with all dividends accrued or in arrears for every share of their holdings of B preferred stock before any distribution of the assets shall be made to the holders of the common stock, and shall be entitled to no other or further distribution. If upon any such liquidation, dissolution, or winding up of the corporation the assets thus distributable among the holders of the B preferred stock shall be insufficient to permit the payment to such B preferred stockholders of the preferential amounts aforesaid, then the entire assets of the corporation thus distributable shall be distributed ratably among the holders of the B preferred stock.

(c) In the event of any liquidation or dissolution or winding up of the corporation (whether voluntary or involuntary), after payment in full of the amounts hereinbefore stated to be payable in respect of the A preferred stock and of the B preferred stock, the holders of the common stock shall be entitled, to the exclusion of the holders of the A preferred stock and of the B preferred stock, to share ratably in all the assets of the corporation then remaining.

VI. The term "dividends accrued or in arrears" whenever used herein (1) with reference to the A preferred stock shall be deemed to mean an amount which shall be equal to dividends at the rate of 7 per cent per annum upon the par value thereof from January 1, 1924, or, in the case of stock issued after January 1, 1924, from the first day of the quarterly dividend period in which such stock shall have been issued, to the end of the then current quarterly dividend period for such stock—less, in any case, the amount of all dividends paid upon such stock after January 1, 1924; and (2) with reference to the B preferred stock shall be deemed to mean that amount which shall be equal to dividends thereon at the rate of \$5 per share per annum from the date of issue thereof, or, in the case of stock issued on or after July 1, 1929, from the first day of the quarterly dividend period in which such stock shall have been

issued, to the end of the then current quarterly dividend period for such stock (or, in case of redemption, to the date of redemption), less the amount of all dividends paid upon such stock.

VII. (a) The A preferred stock at any time outstanding may be redeemed by the corporation, in whole or in part, at its election, expressed by resolution of the board of directors, on any quarterly dividend payment date or dates, upon not less than 60 days' previous notice to the holders of record of the A preferred stock to be redeemed, given as hereinafter provided, at the price of 110 per cent of the par value thereof and all dividends accrued or in arrears (hereinafter called "the redemption price"). If less than all of the outstanding A preferred stock is to be redeemed, the redemption may be made either by lot or pro rata, in such manner as may be prescribed by resolution of the board of directors. Notice of such election of the corporation shall be given by publication in a newspaper of general circulation in the Borough of Manhattan, the city of New York, such publication to be made not less than 60 nor more than 90 days prior to such redemption date. A similar notice shall be mailed by the corporation, postage prepaid, not less than 60 nor more than 90 days prior to such redemption date, addressed to the respective holders of record of the A preferred stock to be redeemed at their respective addresses as the same shall appear on the stock transfer records of the corporation, but the mailing of such notice shall not be a condition of such redemption. Notice having been so given by publication, from and after the date fixed therein as the date of redemption, unless default shall be made by the corporation in providing moneys for the payment of the redemption price pursuant to such notice, all dividends on the A preferred stock thereby called for redemption shall cease to accrue, and from and after the date of redemption so specified, unless default shall be made by the corporation as aforesaid, or from and after the date (prior to the date of redemption so specified) on which the corporation shall provide moneys for the payment of the redemption price by depositing the amount thereof with a bank or trust company doing business in the Borough of Manhattan, the city of New York, and having a capital and surplus of at least \$10,000,000, provided that the notice of redemption shall state the intention of the corporation to deposit such amount on a date in such notice specified, all rights of the holders thereof as stockholders of the corporation, except the right to receive the redemption price (but without interest), shall cease and determine. Any interest allowed on moneys so deposited shall be paid to the corporation. Any moneys so deposited which shall remain unclaimed by the holders of such A preferred stock at the end of six years after the redemption date, shall be paid by such bank or trust company to the corporation.

(b) The B preferred stock at any time outstanding may be redeemed by the corporation, in whole or in part, at its election, expressed by resolution of the board of directors, at any time or times upon not less than 60 days' previous notice to the holders of record of the B preferred stock to be redeemed, given as hereinafter provided, at the price of \$100 per share and all dividends accrued or in arrears (hereinafter called "the redemption price"). If less than all of the outstanding B preferred stock is to be redeemed, the redemption may be made either by lot or pro rata in such manner as may be prescribed by resolution of the board of directors. Notice of such election of the corporation shall be given by publication in a newspaper of general circulation in the Borough of Manhattan, the city of New York, such publication to be made not less than 60 nor more than 90 days prior to such redemption date. A similar notice shall be mailed by the corporation, postage prepaid, not less than 60 nor more than 90 days prior to such redemption date, addressed to the respective holders of record of the B preferred stock to be redeemed at their respective addresses as the same shall appear on the stock transfer records of the corporation, but the mailing of such notice shall not be a condition of such redemption. Notice having been so given by publication, from and after the date fixed therein as the date of redemption, unless default shall be made by the corporation in providing moneys for the payment of the redemption price pursuant to such notice, all dividends on the B preferred stock hereby called for redemption shall cease to accrue, and from and after the date of redemption so specified, unless default shall be made by the corporation as aforesaid, or from and after the date (prior to the date of redemption so specified) on which the corporation shall provide the moneys for the payment of the redemption price

by depositing the amount thereof with a bank or trust company doing business in the Borough of Manhattan, the city of New York, and having a capital and surplus of at least \$10,000,000; provided, that the notice of redemption shall state the intention of the corporation to deposit such amount on a date in such notice specified all rights of the holders thereof as stockholders of the corporation, except the right to receive the redemption price (but without interest), shall cease and determine. Any interest allowed on moneys so deposited shall be paid to the corporation. Any moneys so deposited which shall remain unclaimed by the holders of such B preferred stock at the end of six years after the redemption date shall be paid by such bank or trust company to the corporation.

VIII. (a) Except as otherwise provided in this paragraph or as otherwise made mandatory by law, the holders of record of the A preferred stock and of the common stock shall exclusively possess voting power for the election of directors and for all other purposes, and the holders of the B preferred stock shall have no voting power, except that if and whenever four quarter-yearly dividends on the B preferred stock shall be unpaid in whole or in part, each share of the B preferred stock outstanding shall have the same voting rights as each share of common stock outstanding until all dividends accrued and in arrears on the B preferred stock shall have been paid or declared and funds for the payment thereof set aside, and except that the corporation shall in no case, without either the affirmative vote of the holders of record of a majority in number of shares of the then outstanding B preferred stock, voting separately at a meeting called for such purpose, or the written consent of such holders, authorize any stock ranking either as to dividends or assets on a parity with or in priority to the B preferred stock to a par value exceeding (including the A preferred stock, if any, at the time authorized and including stock without par value, if any, at the amount of the preference of such stock on involuntary liquidation) \$50,000,000, or increase the authorized amount of the B preferred stock.

(b) At all times each holder of A preferred stock shall be entitled to 10 votes for each full share thereof then outstanding and of record in his name on the books of the corporation and/or 1 vote for each one-tenth share (represented by fractional certificates for A preferred stock which may at any time have been issued by authority of the board of directors of the corporation) thereof then outstanding and of record in his name on the books of the corporation. At all times each holder of B preferred stock which shall at the time possess voting power upon any matter shall be entitled to one vote for each share thereof then outstanding in his name on the books of the corporation. At all times each holder of common stock shall be entitled to one vote for each share thereof then outstanding in his name on the books of the corporation.

IX. No holder of any stock of any class of the corporation shall, as such holder, have any right to purchase or subscribe for any shares of the capital stock of the corporation which it may issue or sell, whether out of the number of shares authorized by the certificate of incorporation of the corporation as originally filed, or by any amendment thereof, or out of shares of the capital stock of the corporation acquired by it after the issue thereof; nor shall any holder of any such stock of any class, as such holder, have any right to purchase or subscribe for any obligation which the corporation may issue or sell that shall be convertible into, or exchangeable for, any shares of the capital stock of the corporation or to which shall be attached or appertain any warrant or warrants or any instrument or instruments that shall confer upon the owner of such obligation, warrant, or instrument the right to subscribe for, or to purchase from, the corporation, any shares of any class of its capital stock.

X. Shares of the authorized B preferred stock and common stock may be issued by the corporation from time to time for such consideration as may be fixed from time to time by the board of directors thereof, and any and all such shares so issued, the full consideration for which shall have been paid or delivered, shall be deemed full paid and nonassessable stock and not liable to any further call or assessment thereon.

EXHIBIT B

Victor Talking Machine Co. and subsidiary companies consolidated balance sheet December 31, 1927

ASSETS	
Current assets:	
Cash.....	\$4, 517, 777. 28
United States Liberty bonds and Treasury notes.....	3, 918, 643. 75
Other marketable securities and call loans.....	6, 419, 135. 94
Notes receivable—Customers.....	\$349, 562. 31
Accounts receivable—	
Customers.....	7, 739, 529. 30
Affiliated companies.....	252, 233. 27
Miscellaneous.....	411, 473. 33
	8, 752, 798. 21
Less: Reserves.....	534, 057. 61
	8, 218, 740. 60
Inventories at cost or market, whichever is lower.....	6, 666. 367. 06
	\$29, 740, 664. 63
Investment in trust fund for purchase of stock for sale to employees.....	167, 110. 00
Investment in affiliated companies (foreign):	
The Gramophone Co. (Ltd.) (on basis of audited balance sheet of June 30, 1927).....	\$7, 468, 460. 13
Less: Amount uncalled (£425,000).....	2, 068, 262. 50
	\$5, 400, 197. 63
Victor Talking Machine Co. of Canada (Ltd.) (on basis of audited balance sheet of Dec. 31, 1927).....	1, 996, 709. 31
Victor Talking Machine Co. of Japan (Ltd.) (wholly owned), at cost, plus advances.....	317, 299. 04
	7, 714, 205. 98
Real estate, plant, and equipment:	
Land, buildings, machinery, and equipment; based on appraisal as at Sept. 30, 1926, plus additions and less retirements to Dec. 31, 1927.....	\$30, 863, 951. 27
Other land, buildings, machinery, and equipment, not appraised, at cost.....	1, 052, 593. 72
	31, 916, 544. 99
Less: Reserve for depreciation.....	7, 900, 501. 07
	24, 016, 043. 92
Patent rights and trade names.....	1. 00
Matrices.....	1. 00
Prepaid and deferred items.....	330, 770. 80
	61, 968, 797. 33
Total	61, 968, 797. 33

LIABILITIES

Current liabilities: Accounts payable, provision for Federal income taxes, etc.....		\$4, 860, 378. 83
Reserves: In respect of trade adjustments, employees' liability insurance, and contingencies.....		1, 231, 933. 94
Capital stock and surplus:		
Preferred stock (par, \$100 per share) 69 shares outstanding.....	\$6, 900. 00	
7 per cent cumulative prior preference stock (par, \$100 per share), 201,367.8 shares outstanding.....	20, 136, 730. 00	
\$6 cumulative convertible preferred stock (no par value—preference upon liquidation, \$100 per share), 121,139.05 shares outstanding.....	12, 113, 905. 00	
Common stock (no par value), 571,087.45 shares outstanding.....	16, 842, 415. 00	
	<hr/>	49, 100, 000. 00
Plus par value of 6,300 shares 7 per cent cumulative prior preference stock purchased out of earnings through operation of sinking fund (to be transferred to surplus upon formal reduction of stated capital).....	630, 000. 00	
	<hr/>	49, 730, 000. 00
Stated capital.....		49, 730, 000. 00
Sinking-fund reserve for purchase of 7 per cent cumulative prior preference stock, unexpended.....	4, 342. 86	
Surplus.....	6, 142, 141. 70	
	<hr/>	55, 876, 484. 56
Total.....		61, 968, 797. 33

NOTE.—The above shares outstanding do not include 1,672.2 shares 7 per cent cumulative prior preference stock, 975.45 shares \$6 cumulative convertible preferred stock, and 4,598.55 shares common stock which are held in the treasury of the company.

Consolidated statement of income for the year ended December 31, 1927

Sales, less returns and allowances.....	\$46, 886, 842. 11
Cost of sales, including selling, general and administrative expenses, etc.....	38, 658, 050. 78
	<hr/>
Profit from operations after all expenses incident thereto, but before depreciation of plant and provision for Federal income taxes.....	8, 228, 791. 33
Other income.....	1, 472, 422. 71
	<hr/>
	9, 701, 214. 04
Deduct depreciation.....	1, 576, 691. 01
	<hr/>
	8, 124, 523. 03
Provision for Federal income taxes.....	855, 000. 00
	<hr/>
Net income carried to surplus account.....	7, 269, 523. 03

Consolidated statement of surplus for the year ended December 31, 1927

Balance at Dec. 31, 1926.....	\$7, 525, 630. 78	
Less:		
Transferred to capital upon re-capitalization, Jan. 17, 1927.....	\$3, 373, 788. 00	
Dividend declared and paid January, 1927, on old stock.....	2, 769, 749. 25	
	<u>6, 143, 527. 25</u>	\$1, 382, 103. 53
Add:		
Net income for the year ended Dec. 31, 1927, per above consolidated statement of income.....		7, 269, 523. 03
Adjustment of investment in affiliated companies—The Gramophone Co. (Ltd.) and Victor Talking Machine Co. of Canada (Ltd.).....		845, 283. 57
		<u>9, 496, 910. 13</u>
Deduct:		
Appropriation to reserve for trade adjustments and contingencies.....	\$550, 000. 00	
Adjustment resulting from acquisition of subsidiary company.....	6, 779. 28	
	<u>556, 779. 28</u>	8, 940, 130. 85
Deduct:		
Appropriation to sinking fund reserve for purchase of 7 per cent cumulative prior preference stock.....	628, 020. 00	
Dividends paid and declared—		
Preferred stock—Year, 1927.....	483. 00	
7 per cent cumulative prior preference stock.....	1, 442, 649. 60	
\$6 cumulative convertible preferred stock.....	726, 836. 55	
	<u>2, 797, 989. 15</u>	
Balance Dec. 31, 1927.....		6, 142, 141. 70

Victor Talking Machine Co. consolidated balance sheet as of December 31, 1928

ASSETS	
Current assets:	
Cash.....	\$3, 747, 777. 14
United States Liberty bonds and Treasury notes, at cost.....	1, 616, 250. 00
Other marketing securities and call loans, at cost.....	7, 588, 988. 64
Notes receivable—customers.....	\$876, 425. 17
Accounts receivable—	
Customers.....	9, 044, 860. 73
Affiliated companies.....	136, 918. 96
Miscellaneous.....	374, 119. 53
	<u>10, 432, 324. 39</u>
Less reserve.....	690, 770. 59
	<u>9, 741, 553. 80</u>
Inventories at cost or market, whichever lower.....	11, 139, 801. 05
	<u>\$33, 834, 370. 63</u>

Investments in trust fund for purchase of stock for sale to employees-----		\$167, 110. 00
Investment in affiliated companies (foreign):		
The Gramophone Co. (Ltd.) (in basis of audited balance sheet of June 30, 1928)-----	\$9, 068, 150. 20	
Less amount uncalled (£212,500)-----	1, 031, 187. 91	
	<u>8, 036, 962. 29</u>	
Victor Talking Machine Co. of Japan (Ltd.) (on basis of audited balance sheet of Dec. 31, 1928)-----	387, 643. 73	
	<u>8, 424, 606. 02</u>	
Real estate, plant, and equipment:		
Land, buildings, machinery, and equipment; based on appraisal as at Sept. 30, 1926, plus additions and less retirement to Dec. 31, 1928-----	\$31, 535, 110. 19	
Other land, buildings, machinery, and equipment, not appraised, at cost-----	3, 066, 790. 81	
	<u>34, 621, 901. 00</u>	
Less reserve for depreciation-----	9, 792, 811. 59	
	<u>24, 829, 089. 41</u>	
Patent rights and trade names-----		1. 00
Matrices-----		1. 00
Prepaid and deferred items-----		1, 057, 304. 40
	<u>68, 312, 482. 46</u>	
Total-----		<u><u>68, 312, 482. 46</u></u>

LIABILITIES

Current liabilities: Accounts payable, provision for income taxes, etc-----		\$7, 925, 614. 29
Notes payable: (Obligation of Canadian subsidiary—representing serial notes maturing at rate of \$50,000 a year)-----		980, 439. 75
Reserves: In respect of trade adjustments, liability insurance, and contingencies-----		1, 076, 591. 97
Capital Stock and surplus:		
Preferred stock (par \$100 per share), 69 shares authorized and outstanding-----	\$8, 900. 00	
7 per cent cumulative prior preference stock (par \$100 per share), 203,040 shares authorized; 195,610.8 shares outstanding---	19, 561, 080. 00	
\$6 cumulative convertible preferred stock (no par value—preference upon liquidation \$100 per share) 122,115 shares authorized; 115,709.65 shares exchanged for common stock in accordance with conversion privilege; 5,429.9 shares outstanding-----	542, 990. 00	
Common stock (no par value), 819,915 shares authorized; 802,506.75 shares outstanding---	28, 413, 330. 00	
	<u>48, 524, 300. 00</u>	
Plus—Par value of 5,757 shares 7 per cent cumulative prior preference stock purchased out of earnings through operation of sinking fund (to be transferred to surplus upon formal reduction of stated capital)-----	575, 700. 00	
Stated capital-----	<u>49, 100, 000. 00</u>	

Surplus: Applied to redemption of 7 per cent cumulative prior preference stock-----	\$630,000.00	
Sinking fund reserve for purchase of 7 per cent cumulative prior preference stock—unexpended----	4,403.95	
Unappropriated-----	8,645,432.50	
		\$9,279,836.45
		<u>\$58,379,836.45</u>
Total-----		68,312,482.46

NOTE.—The above shares outstanding do not include 1,672.2 shares 7 per cent cumulative prior preference stock, 975.45 shares \$6 cumulative convertible preferred stock, and 4,598.55 shares common stock which are held in the treasury of the company.

Consolidated statement of income for the year ended

Sales, less returns and allowances-----	\$52,064,419.22
Cost of sales, including selling, general and administrative expenses, etc. ¹ -----	44,227,239.92
	<u>9,837,179.30</u>
Profit from operations after all expenses incident thereto, but before depreciation of plant and provision for income taxes-----	7,837,179.30
Other income-----	2,017,693.32
	<u>9,854,872.62</u>
Deduct: Depreciation-----	1,654,854.10
	<u>8,200,018.52</u>
Provision for income taxes-----	876,000.00
	<u>7,324,018.52</u>
Net income carried to surplus-----	7,324,018.52

Consolidated statement of surplus for the year ended December 31, 1928

Balance at Dec. 31, 1927-----	\$6,142,141.70
Add:	
Net income for the year ended Dec. 31, 1928, per above consolidated statement of income-----	7,324,018.52
Adjustment of investment in affiliated companies, less adjustment in respect of acquisition during the year of the minority interest in the Canadian subsidiary-----	920,908.37
	<u>14,387,068.59</u>
Deduct appropriation to reserve for trade adjustments-----	450,000.00
	<u>13,937,068.59</u>
Deduct:	
Appropriation to sinking fund reserve for purchase of 7 per cent cumulative prior preference stock-----	\$628,020.00
Dividends paid and declared:	
Preferred stock—year, 1928-----	483.00
7 per cent cumulative prior preference stock-----	1,374,625.35
\$6 cumulative convertible preferred stock-----	184,100.44
Common stock-----	3,104,407.30
	<u>5,291,636.09</u>
Balance unappropriated at Dec. 31, 1928-----	8,645,432.50

¹ Includes share of net income of Canadian subsidiary applicable to minority interest outstanding during the year.

EXHIBITS NOS. 24 AND 25, MAY 21, 1932

REPORT ON WARNER BROS. PICTURES (INC.), BY STANDARD STATISTICS CO. AND ANNUAL REPORT FOR YEAR ENDING AUGUST 30, 1930, ON WARNER BROS. PICTURES (INC.)

(See pp. 628 and 640 of this hearing)

COMMITTEE EXHIBIT No. 24, MAY 21, 1932

WARNER BROS. PICTURES (INC.), W 17, ANNUAL REPORT SECTION

Revised January 7, 1931

INDIVIDUAL REPORTS SECTION

STANDARD COPROBATION RECORDS

[Volume 9, No. 1368, January 21, 1931, Section 7. Copyright, 1931, by Standard Statistics Co. (Inc.), publishers, 200 Varick Street, New York, N. Y. Printed in U. S. A.]

POSITION AND PROSPECT

(Based on annual report for fiscal year ended August 30, 1930, and later information to date of revision. Any changes based on subsequent data or developments will be published in Bulletin Section (white) W 18, in boldface type, under "Digest of position and prospect")

Warner Bros. organization is one of the leading producers and exhibitors of motion pictures. Growth in the last three years has been rapid, owing in part to acquisition of First National Pictures (Inc.), Stanley Co. of America, and other interests, and also resulting from pioneering work in sound and talking pictures. Products are distributed throughout the world, principally by Warner subsidiaries. Control of Stanley Co. of America was acquired in December, 1928, through an exchange of stock, and interest was subsequently increased to about 97 per cent of total stock outstanding. Control of First National Pictures (Inc.) was originally acquired in major part through Stanley Co., while late in 1929 the remaining outstanding interest, placed at 23 per cent, was purchased from Fox Film Corporation for \$10,000,000 in cash. Soon thereafter a new company, First National Pictures (Inc.) of Maryland, was formed as a wholly owned subsidiary of Warner Bros. Pictures to take over entire assets of the Delaware company.

WIDESPREAD THEATER INTERESTS

Other acquisitions in 1929 included several theater groups, among them the Silverman and Hoffman chains; also Continental Lithograph Corporation, printers; and two important music publishers, M. Witmark & Sons (Inc.) and Music Publishers' Holding Corporation, operating under the Witmark, Harms, Remick, and the De Sylvia, Brown, and Henderson names. Theater groups acquired, in addition to those controlled through Stanley Co. and the Skouras-St. Louis amusement enterprises in the St. Louis area, increased the aggregate Warner chain to about 350, located mostly in leading eastern cities, while additional theaters were acquired in fiscal year 1930 (including the Schine chain of about 50 in Ohio), bringing the total to more than 600. Several first-run houses are operated in New York City, among them the Mark Strand, Warner, and Winter Garden.

VITAPHONE AND BRUNSWICK

Vitaphone Corporation, a wholly owned subsidiary, is a pioneer in sound-picture development. It is supplied with equipment by Electrical Research Products (Inc.) (through Western Electric, a unit of American Telephone & Telegraph Co.). Electrical Research Products receives royalties from its licensees, and in turn pays to Vitaphone Corporation for its pioneering efforts 3 per cent of gross revenues derived from licenses to other motion-picture producers

distributing in the fields and territories covered by license to Vitaphone Corporation.

During 1930 fiscal year Warner Bros. acquired the phonograph record and radio departments of Brunswick-Balke-Collender Co. and formed to operate them the Brunswick Radio Corporation, with headquarters in New York City and distributing offices at many points in the United States and other countries. This subsidiary makes "Panatropes" talking machines, popular-priced radio receiving sets, combination phonograph and radio receiving sets, records for talking machines and radio broadcasting, and records for use of Vitaphone Corporation.

FUNDED DEBT

As stated by balance sheet of August 31, 1930, company had outstanding \$42,838,000 10-year optional 6 per cent convertible debentures, due 1939; while mortgages and other bond issues of subsidiary companies totaled \$62,735,000, including \$5,770,000 maturing within one year. Debentures are convertible into common at a rising scale of prices for stock beginning with a basis of 1,078 share stock for \$75 face value of debentures up to September 1, 1932; while holders have also the option of accepting interest payment in cash or common stock (one share for each \$60 of interest). Debentures were issued to the amount of \$19,205,000 in fiscal year 1929 and balance in 1930, and subsidiary debt dates chiefly from acquisitions in 1929.

CAPITAL STOCK INCREASED

Growth of interests in last two fiscal years has been reflected both in funded debt, as above, and extensive issue of capital stock. Company at close of fiscal year 1930 had outstanding 3,769,025 shares, no par common, compared with 2,627,406 a year earlier and 701,720 (giving effect to the two-for-one split during 1929 period) at end of fiscal year 1928. Offering was made to stockholders of one share for six in February of 1929 and one for four in August, 1930. For conversion of preferred stock, 345,666 shares were set aside, while otherwise the expansion has been due to issues for acquiring other companies or interests, for bankers' commissions and like purposes.

Preferred is a no par convertible issue, 103,107 shares outstanding; entitled to dividends at \$3.85 per annum since August 31, 1920, when the rate was advanced from original basis of \$2.20. Amount named is a reduction from 785,604 shares issued in 1928 (with 1 share common for 10 preferred), under agreement for acquisition of Stanley Co. of America control. Stock was convertible into common up to September 1, 1930, at one hundred and ten-one hundred and twenty-fifths of a share common (as split) for one share preferred; and in major part was converted. Remainder of an issue of class A stock was retired in December of 1928, after much of it had been converted into common.

COMMON DIVIDENDS PASSED

Following the two-for-one split of common stock (June, 1929), an initial quarterly of 75 cents, with 12½ cents extra was paid September 1, while the stock was thereafter on a basis of \$4 per annum to and including second quarter of 1930. It was announced August 7 of 1930 that dividend had been passed, action being due to "current decrease in profits coming at a time of large capital expenditures." First quarterly at rate of \$3.85 per annum on preferred was paid December 1, 1930, after regular previous payments at original rate of \$2.20. On former class A stock regular dividends of \$1.50 per annum were paid from issuance in last quarter of 1924 to end of 1925, and nothing thereafter until redemption in final quarter of 1928 at \$17 per share and accrued dividends of \$4.50. Rights to common in 1929 sold at an average of \$3.75, and in 1930 at about \$2.

PROFITS REACT IN 1930

Recent expansion has been so radical—notably through acquisition of Stanley Co. of America in fiscal year 1929 and of First National Pictures completed in fiscal year 1930—that comparison of business volume from one to another fiscal period serves mostly as an expansion record. In the fiscal year 1927 consolidated total income was \$5,920,000; in 1928 it was \$10,287,000; in 1929,

with Stanley Co. of America included, \$31,248,000; and in 1930, with First National Pictures included, \$52,893,000. Net income makes a greatly contrasting exhibit at only \$30,000 for 1927 (after deficits for each of the two years preceding), followed by \$2,045,000 for 1928, \$17,272,000 for 1929 and a reaction to \$7,075,000 in 1930. In examining the figures for explanation of this remarkable drop in 1930 net, the outstanding factor at once evident is a total charge of \$37,037,000, for depreciation and amortizing, compared with \$12,134,000 in 1929 period and \$7,013,000 in 1928. This more than tripling of capital extinguishments, with about a 70 per cent increase in total income, was explained officially as due to amortization of First National Pictures film and amortizing and depreciation on newly acquired theater properties, together with an additional amount of depreciation on fixed assets resulting from increase in depreciation rates. Another 1930 factor was \$1,409,000 "special adjustment of released film inventory"; while a large addition to interest charges also contributed.

EARNINGS PER SHARE

On preferred stock company earned \$59.96 per share in fiscal year 1929 (year of issue) and \$68.61 in 1930; amounts outstanding having been greatly reduced by conversion in each year. Balance available for common was equal to \$2.27 per share in fiscal year 1930, compared with \$6.33 in 1929, \$1.86 in 1928, and 3 cents in 1927; ratios for two years last named adjusted for two-for-one split and conversion of class A stock into common in 1929 period.

FINANCIAL POSITION

Current assets at end of 1930 fiscal year totaled \$42,498,000, including \$30,703,000 inventories, of which \$24,020,000 consisted of film and Vitaphone product released, unreleased, and in production (released product carried at cost less amortization). Cash was \$5,133,000, while notes receivable were reported of \$1,163,000, and sundry other receivables at a total of \$5,280,000. Total of current liabilities was \$27,012,000, including \$2,864,000 notes payable to banks and others, and net working capital was \$15,487,000. This latter amount compared with \$14,735,000 a year earlier and much smaller amounts in previous years, the 1928 year-end figure being \$1,063,000. That no greater increase was shown for 1930, though during the year First National Pictures had been brought into the consolidated statement and company had raised cash by stock financing was explained chiefly by the large cost of expansion and the drastic First National Film write off noted in connection with earnings. Total assets were stated at \$230,185,000, including good will valued at \$8,418,000, and an item of \$989,000 for unamortized bond and note discount. Surplus was \$11,027,000, and with intangibles omitted the book value applicable to common stock was \$83,847,000, or \$22.25 per share.

NEW FISCAL YEAR EARNINGS

Net income in first quarter of 1931 fiscal year (three months ended November 30, 1930) approximated \$2,000,000, against \$5,629,000 earned in like period of the previous year. This expected showing was more favorable than appeared on the surface, since the reduced but substantial profit for November quarter was in contrast with an indicated loss of about \$4,700,000 recorded for three months ended August 31, 1930, final quarter of 1930 fiscal year. Amount last named is the difference between net income of \$11,765,000 for 39 weeks ended May 31, 1930, and of \$7,064,000 only for the entire year. This adverse result in late months of the 1930 fiscal period was a reflection of several factors including the general state of business, normal decrease of theater attendance in summer months, additional large depreciation and amortization charges, and expense incident to acquisition of numerous theaters and fitting them into the reorganization. Depreciation and amortizing charges had been heavy in first three quarters of 1930 fiscal year, in fact about three and one-half times the figure for like period of fiscal year 1929, with the result that net income had shown only a small gain though gross had more than doubled; but in the last three months company charged off \$10,511,000 to these accounts as against \$4,528,000 in corresponding 1929 period.

OUTLOOK

Aside from evidence that company had turned the corner after a period of exceptional difficulty, no very definite forecast was possible at close of the calendar year 1930. Company was still engaged in working out a variety of problems, dominant among them being the efficient coordinating of many theater units recently acquired, the further development of sound pictures with some special reference to foreign fields in which various experiments were being conducted, and effectiveness of phonographs and records, radio, "home movie," and music publishing activities through subsidiaries.

Expansion in 1930 fiscal year included the acquiring of 257 theaters. While much of it was effected through direct use of shares for exchanges, etc., this growth resulted also in a large draft upon liquid resources as augmented by sale of common stock through the August offering. Much in the way of nominal working capital, consisting of film inventory, disappeared through write-offs. Working-capital position at end of 1930 fiscal year was not stronger than required for the extensive business being conducted. Company's policy in ceasing aggressive expansion and passing dividends was in line with this situation and the numerous difficulties still to be faced in coordinating theaters, etc. Patent situation is favorable, Warner Bros. being now in position of sharing in royalties paid by almost all others in its field, both at home and abroad. Another favorable aspect is recent marked gain in export business.

STANDARD STATISTICS CO. (INC.).

ANNUAL REPORT

Main office, 321 West Forty-fourth Street, New York City; corporate office, 7 West Tenth Street, Wilmington, Del.; transfer office, preferred, Manufacturers Trust Co., New York; common, New York Trust Co., New York; registrar, preferred, Guaranty Trust Co., New York; common, Manufacturers Trust Co., New York.

Annual meeting, second Monday in December at Wilmington, Del.

Listed, preferred and common, New York Stock Exchange.

Fiscal year ends last Saturday in August.

Certification of accounts: Company's reports certified by Price, Waterhouse & Co., certified public accountants, New York.

Underwriters: The offering of \$19,205,000, 6 per cent convertible debentures in September, 1929, was underwritten by Goldman, Sachs & Co., New York City.

Common stock offering in August, 1930, was underwritten by Goldman, Sachs & Co. and Hayden, Stone & Co., both of New York City. Entire offering was subscribed for by stockholders.

CAPITALIZATION

NOTE.—Details of funded debt and current amounts of authorized and outstanding capital stock (preferred and common) published in Bulletin Section (white)—W 18. All stock is fully paid and nonassessable, and no personal liability attaches to stockholders.

Summary of authorized capital stock

	Number of shares			
	Preferred (no par)	Class A (par \$10)	Capital stock (no par)	Common (no par)
Apr. 4, 1923, original authorization.....			500,000	
Dec. 23, 1924, changed to.....		200,000		550,000
Dec. 4, 1928, changed to.....	785,604			2,500,000
June 21, 1929, changed to.....	785,604			7,500,000

Purposes of stock issuance

	Number of shares	
	Class A (par \$10)	Common (no par)
Dec. 31, 1923, to acquire partnership business of the 4 Warner brothers 1923 to 1924, for cash.....		1 300,000
Dec. 31, 1924, exchanged for common, share for share.....	1 17,313	1 31,190
1925, for cash.....	182,687	18,810
April, 1925, to Dec. 1, 1925, for conversion of class A on a share for share basis.....		200,000
Number of shares outstanding as of Dec. 10, 1926.....		550,000

Purposes of issue (for which application has been made to list)	Number of preferred	Number of common
Shares outstanding Dec. 10, 1926 (for details see above).....		550,000
Stock issuable in exchange for 785,603.3 common shares (86 per cent) of Stanley Co. of America deposited pursuant to an exchange agreement dated Oct. 2, 1928, in the ratio of 1 preferred and one-tenth common shares for each Stanley common. According to the agreement the deposit committee was to sell to Goldman, Sachs & Co. 20 per cent of the preferred and common Warner stock received by them at \$11.50 per unit of two-tenths preferred and two one-hundredths common shares and distribute the cash thus received pro rata to Stanley stockholders who deposited their stock. Thus Stanley stockholders would receive for each share deposited eight-tenths preferred and eight one-hundredths common Warner shares and \$11.50 in cash.....	785,604	78,561
Issuable to Goldman, Sachs & Co., the corporation's bankers as compensation for underwriting the purchase agreement dated Oct. 2, 1928, and for their past services to the corporation.....		50,000
Issuable in exchange for 50,000 out of 50,006 class B shares of Skouras Bros. Enterprises (Inc.) of St. Louis and 13,929 class B shares of St. Louis Amusement Co., a subsidiary of Skouras Bros. Enterprises (Inc.).....		31,000
Issuable as part consideration to Renraw (Inc.), under terms of an agreement dated Sept. 1, 1928, which provides among other things for the services of Messrs. Harry M. Warner, Albert Warner, and Jack L. Warner for 6 years, and extends for a period of the payment of the corporation's indebtedness to Renraw (Inc.), in excess of \$5,000,000.....		90,000
Issuable for cash, to be used in liquidation of indebtedness of the company and its subsidiary, Stanley Co. of America, to reimburse the corporation for recent acquisitions, including all stock of M. Witmark & Sons (Inc.), a majority of stock of Continental Lithograph Corporation, and all stock of 321 West Forty-fourth Street (Inc.), and to improve cash position—this stock was offered to common-stock holders of record Feb. 25, 1929, at \$100 per share, to extent of 1 new share for each 6 shares held. Rights expired Mar. 20, 1929, and the offering was underwritten at \$100 per share to extent of 147,000 shares.....		164,050
Issuable for additional common stock of Stanley Co. of America in ratio of 1 common share of Warner Bros. for each 3 common shares of Stanley.....		39,788
Issued to replace stock borrowed for delivery against acquisition of 1,000 shares of common stock (the outstanding minority interest) of Stanley-Mark-Strand Corporation.....		8,000
To give effect to 2-for-1 split of common stock, upon official notice of issue (a) of 1 share with respect to each share outstanding June 27, 1929, (b) to give effect to proportionate increase in conversion ratio of preferred stock after effective date of split, and/or (c) upon consolidation of fractional scrip after June 27, 1929.....		1,357,062
Issuable in exchange for all outstanding capital stock of Music Publishers' Holding Corporation.....		140,364
Issuable in exchange for 1,000 shares (the outstanding minority interest) of common stock of Stanley-Crandall Co. of Washington.....		4,800
Issuable in exchange for property of Connecticut River Valley Corporation.....		18,182
Issuable in exchange for property controlled by Silverman Bros.....		25,600
Reserved for conversion of preferred stock.....		1 345,666
Shares issuable for conversion of optional 6 per cent convertible debentures, series due 1939.....		617,821
Issuable in payment of interest on optionable 6 per cent convertible debentures.....		1 448,419
Issuable in exchange, share for share, for 27,903 shares (the outstanding minority interest) of common stock of Stanley Co. of America.....		1 27,903
Issuable in exchange for properties and assets of 2 theaters located in West Virginia.....		4,686
Issuable for certain properties throughout the United States.....		265,212
For outstanding minority interest of Stanley-Davis-Clark Corporation, a subsidiary For cash (rights at \$20 a share on 1 for 4 basis)—offering was entirely subscribed for by stockholders.....		1,848
Total shares issuable.....	785,604	4,980,786
Total shares issued and outstanding Aug. 30, 1930.....	103,107	3,769,025

¹ Designated "capital stock."

² 17,313 shares of treasury stock (common) so acquired were reissued prior to Mar. 31, 1925; 13,190 shares for cash and 4,123 shares for services.

³ As prior to 2-for-1 split effective June 27, 1929. Conversion basis then changed accordingly.

⁴ In lieu of interest due Mar. 1, 1930, company issued 9,251.5 shares.

⁵ Of which 18,659 shares not used, as previously authorized.

⁶ Excludes 23,106 shares which were canceled.

Rights to stockholders

Stock of record	Rights expired	Ratio of offering	Subscription price	Range of rights		Ex-date	Closing price, ex-date	
				High	Low		Stock	Rights
Feb. 25, 1929	Mar. 20, 1929	1 to 6	\$100	4 $\frac{7}{8}$	2 $\frac{5}{8}$	Feb. 25, 1929	124 $\frac{7}{8}$	4 $\frac{1}{4}$
Aug. 25, 1930	Sept. 15, 1930	1 to 4	20	3	$\frac{7}{8}$	Aug. 25, 1930	24 $\frac{3}{8}$	1 $\frac{3}{8}$

BASIS OF ISSUANCE OF COMMON IN CONNECTION WITH CONVERSION OF OPTIONAL 6 PER CENT CONVERTIBLE DEBENTURES AND IN LIEU OF INTEREST

Interest on the optional debentures is payable March 1 and September 1 in cash or common stock and/or scrip, if in stock, originally at rate of one-fourth share for each \$15 of interest, but because of offering of common to holders of August 25, 1930, rate was changed to 269/1000 share for each \$15 of interest. Optional debentures were originally convertible into common stock at the rate of one share common for each \$75 principal amount of debentures prior to September 1, 1932; at the rate of one share for each \$80 principal amount of debentures prior to September 1, 1935; and at the rate of one share common for each \$85 principal amount of debentures prior to August 26, 1939; as result of offering of common stock to holders of record August 25, 1930, rate was changed to 1,078/1,000 shares instead of one share, the other provisions remaining the same.

STOCK PROVISIONS

Preferred.—Preferred over common both as to dividends and assets. Entitled to cumulative dividends, payable quarterly, December 1, etc., at the rate of \$2.20 per share per annum, and no more, until August 31, 1930, inclusive, and thereafter at the rate of \$3.85 per share per annum, and no more. In liquidation or dissolution, whether voluntary or involuntary, entitled to \$55 per share and accrued dividends. Convertible into common stock on or before September 1, 1930, in the ratio of 110/125 of a common share for each preferred. (In connection with 2-for-1 split effective June 27, 1929, conversion ratio was changed accordingly.) Redeemable in whole or in part at any time upon 60 days' notice at \$55 per share and accrued dividends; such stock as may be redeemed or converted must be retired and the authorized capital stock reduced accordingly.

Rights to subscribe.—Preferred and common-stock holders are not entitled to subscribe for any new or additional issues of stock or of any securities convertible into stock except that common-stock holders may subscribe to common stock issued in excess of 550,000 shares outstanding as of December, 1928, where the consideration is cash.

Voting power.—Preferred-stock holders have not voting power in respect to election of directors except upon default of four quarterly dividends (whether consecutive or not) payable after September 1, 1930, they shall then have the right to elect a majority of the board of directors.

After September 1, 1930, the consent of at least two-thirds of the preferred stock is necessary to increase the authorized amount of preferred stock, to change any of the provisions referring to the rights or preferences of the preferred stock, and to sell or convey all or substantially all of the property or business of the corporation to another company unless the entire capital stock of the latter is owned.

No mortgage, lien, or charge of any kind shall be created after September 1, 1930, upon any of the real estate of the corporation for an amount in excess of 70 per cent of the fair value of all property subject to such mortgage, lien, or charge except for the refunding or extension of existing mortgages, liens, or charges and except for purchase money mortgages, unless two-thirds of the preferred-stock holders shall have failed to file notice of their objections within 20 days after notice of the corporation's intention to create such mortgage, lien, or charge shall have been mailed.

NUMBER OF COMMON-STOCK HOLDERS

Nov. 7, 1930..... 26, 990
Dec. 2, 1929..... 11, 157

High and low prices of stock

[New York Stock Exchange]

	Preferred ¹		Common ¹	
	High	Low	High	Low
1930.....	70¼	31	80¼	9¾
1929.....	59¼	25¼	64½	30
1928.....	57¼	51¾	134	97
			139¼	80¾

	Class A ³ (New York Stock Exchange)		Common (New York Curb)	
	High	Low	High	Low
1928.....	\$ 139½	\$ 22	81¼	13¾
1927.....	45½	18¼	33¾	9¾
1926.....	69¼	12	65	8
1925.....	\$ 22½	\$ 15	18¼	13¾
1924.....			129½	7

¹ Common stock listed on the New York Stock Exchange Aug. 22, 1928, and preferred stock listed on the New York Stock Exchange Dec. 12, 1928.

² Before 2 for 1 stock split.

³ Entire outstanding class A stock called for redemption Dec. 1, 1928, at \$17 per share and accrued dividends of \$4.50.

⁴ Listed on the New York Stock Exchange Aug. 12, 1925, and stricken from list Dec. 3, 1928.

Approximate dividend dates

Dividend meetings (preferred),^a January, April, July, October.

Ex-dividend (preferred), February 10, May 10, August 10, November 10.

Dividends payable (preferred), March 1, June 1, September 1, December 1.

Dividends paid in calendar years since organization ¹

	Preferred	Common	Class "A" ²
1930.....	\$ 2.61¼	\$ 2.00	
1929.....	\$ 2.75	\$ 1.87¼	
1926-1928.....			(³)
1925.....			\$ 1.75

¹ Dividends paid during current calendar year reported in current dividend sections.

² Entire class A stock was called for redemption Dec. 1, 1928, at \$17 per share and accrued dividends of \$4.50. Holders of class A had right to convert into common, share for share, before Dec. 1, 1928.

³ Annual rate increased from \$2.50 to \$3.85 (in accordance with stock provisions) by payment of a quarterly dividend of 96¼ cents on Dec. 1, 1930.

⁴ Last common payment prior to date of revision was \$1 on June 2, 1930.

⁵ Initial of \$1.10 paid Mar. 1, 1929, covering 2 quarters ending that date.

⁶ Initial quarterly of 75 cents and an extra of 12½ cents paid Sept. 1, 1929; quarterly of \$1 per share paid Dec. 1, 1929.

⁷ Initial of 37½ cents paid Jan. 31, 1925.

^a No fixed date set for dividend action. Directors meet the third Thursday of each month. Dividend action usually is taken of the third Thursday of the months indicated above.

FINANCIAL STATEMENTS

DEPRECIATION POLICY

Fixed assets of the company and its subsidiaries are depreciated at annual rates based upon the estimated years of life of various classes of assets, as follows:

	Per cent		Per cent
Building.....	3-10	Furniture and fixtures.....	10-33
Equipment.....	15-38	Service buildings and ma-	
Pianos, organs, and properties..	15-33	chinery.....	10-25

Capital expenditures in connection with theater buildings and equipment on leaseholds are amortized over the terms of the leases.

Costs of producing motion-picture negatives are amortized over a period of 88 weeks from the date of release in the United States, as follows:

	Per cent		Per cent
After 6 weeks.....	20	After 59 weeks.....	90
After 16 weeks.....	50	After 88 weeks.....	100
After 40 weeks.....	80		

The positive film costs are written off in one year, as follows:

	Per cent		Per cent
After 6 weeks.....	23	After 40 weeks.....	91
After 16 weeks.....	58	After 52 weeks.....	100
After 28 weeks.....	81		

Seven-and-five-twelfths-year analysis of consolidated income account

[Warner Bros. Pictures (Inc.) and subsidiary companies—First National Pictures (Inc.) consolidated for first time in 1930—Based on comparative consolidated income account.]

	Total income	Deductions other than interest		Available for interest	Interest	Interest times earned	Net income
		Depreciation and amortization	Miscellaneous				
Year ended Aug. 30, 1930.....	\$52,892,841	\$37,036,852	\$3,283,142	\$12,790,401	\$5,477,869	2.33	\$7,074,621

	Operating income	Other income	Total income	Interest, minimum interest, and miscellaneous charges	Depreciation and amortization	Federal taxes	Net income
Years ended Aug. 31, 1929.....	\$31,248,270	(¹)	\$31,248,270	\$2,914,009	\$12,134,056	\$2,288,200	\$17,271,805
1928.....	10,286,684	\$90,485	10,377,169	\$1,154,543	7,012,784	165,000	2,044,842
Year ended Aug. 27, 1927.....	5,919,935	-----	5,919,935	785,372	5,104,136	-----	30,427
5 months ended Aug. 28, 1926.....	2,062,147	159,758	2,241,905	304,946	2,216,055	-----	\$279,096
Year ended Mar. 27, 1926.....	3,320,153	-35,942	3,284,211	504,532	4,117,505	-----	\$1,337,926
Years ended Mar. 31, 1925.....	\$1,161,901	242,929	1,404,830	120,879	(²)	182,000	1,101,951
1924.....	7101,609	222,447	124,056	-----	(²)	21,243	102,813

¹ Includes \$552,539 other income.

² Includes \$1,515,717 interest on optional 6 per cent convertible debentures, which amount is after deducting \$278,718 interest accrued to dates of issue. At election of noteholders, of interest payable Mar. 1, 1930, \$21,060 was paid in cash and balance by subsequent issuance of 9,251.5 shares of common stock.

³ Other income in 1929 is deducted from interest, minority interest, and miscellaneous charges.

⁴ Includes \$602,623 equity in undistributed earnings of affiliated companies (not consolidated) from dates of acquisition to Aug. 31, 1929; and \$2,757,177 equity in earnings of affiliated companies (consolidated) from Sept. 1, 1928, to dates of acquisition, and equity in earnings for year applicable to additional shares common stock of First National Pictures (Inc.), acquired subsequent to Aug. 31, 1929.

⁵ Includes \$115,000 provision for contingencies.

⁶ Deficit.

⁷ Depreciation is deducted before showing operating income.

After deducting minority interest.

Seven-and-five-twelfths-year analysis of consolidated income account—Con.

	Preferred stock dividends declared			Class A stock dividends paid	Common stock dividends declared			Surplus after dividends
	Total amount	Per share	Earned per share		Total amount	Per share	Earned per share ¹	
Year ended Aug. 30, 1930.....	\$402,740	\$2.20	\$68.61	-----	\$8,060,380	\$3.00	² \$2.27	³ \$1,408,499
Years ended Aug. 31:								
1929.....	761,672	2.20	59.96	-----	2,127,507	¹⁰ 87½	⁴ 6.33	14,382,626
1928.....							4.98	2,044,842
Year ended Aug. 27, 1927.....							⁵ .77	30,427
5 months ended Aug. 28, 1926.....							⁶ 1.15	⁶ 279,096
Year ended Mar. 27, 1926.....				\$224,979			⁶ 4.68	⁶ 1,562,805
Years ended Mar. 31:								
1925.....				14,743			2.89	1,067,206
1924.....							3.30	102,813

⁶ Deficit.⁸ After allowing for dividends on class A stock outstanding in 1928 and prior years.⁹ As part of the preferred stock issued in 1928 was converted into common stock, the earnings per common share are shown after allowing for full year's dividend requirements on preferred stock outstanding at the end of the year.¹⁰ Includes an extra dividend of 12½ cents a share.

ADJUSTED EARNINGS PER SHARE

Adjusted to reflect the conversion of class A stock into common stock on a share-for-share basis in December, 1928, and two for one common stock split in July, 1929:

	Aug. 30, 1930	Aug. 31, 1929	Aug. 31, 1928	Aug. 27, 1927	Aug. 28, 1926	Mar. 27, 1926	Mar. 31, 1925
Number of common shares adjusted.....	3,015,541	2,627,406	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Earnings per adjusted common share.....	¹ \$2.27	¹ \$6.33	¹ \$1.86	¹ \$0.03	² \$0.26	² \$1.23	¹ \$1.00

¹ As part of the preferred stock issued in 1928 were converted into common stock, the earnings per common share are shown after allowing for full-year dividend requirements on preferred stock outstanding at the end of the year.² Deficit.

Comparative consolidated income account

{ Warner Bros. Pictures (Inc.) and subsidiary companies—First National Pictures (Inc.) consolidated for first time in 1930 }

	Year ended			
	Aug. 30, 1930	Aug. 31, 1929	Aug. 31, 1928	Aug. 27, 1927
Gross income.....	(¹)	(¹)	(¹)	(¹)
Cost of sales.....	(¹)	(¹)	(¹)	(¹)
Depreciation.....	(²)	(²)	(²)	(²)
Selling and general expenses.....	(¹)	(¹)	(¹)	(¹)
Operating income.....	\$52,340,302.00	\$31,248,270.00	\$10,286,684.00	\$5,919,935.00
Other income.....	552,539.00	(³)	90,485.00	-----
Total income.....	52,892,841.00	31,248,270.00	10,377,169.00	5,919,935.00

¹ Not reported² For year ended Mar. 31, 1927, and subsequent thereto, depreciation is included with amortization and listed under "deductions," and in 1926 depreciation is included with cost of sales.³ Other income in 1929 is deducted from interest and miscellaneous charges.

Comparative consolidated income account—Continued

[Warner Bros. Pictures (Inc.) and subsidiary companies—First National Pictures (Inc.) consolidated for first time in 1930]

	Year ended			
	Aug. 30, 1930	Aug. 31, 1929	Aug. 31, 1928	Aug. 27, 1927
Deductions:				
Bond interest.....	\$ 1,515,717.00			
Other interest.....	3,962,152.00	\$2,591,929.00	\$1,039,543.00	\$775,735.00
Miscellaneous charges.....	748,848.00			
Minority interest.....	237,911.00	322,080.00		9,637.00
Amortization.....	37,036,853.00	12,134,056.00	7,012,784.00	5,104,136.00
Depreciation.....			115,000.00	
Provision for contingencies.....				
Special adjustment of released film inventory.....	1,409,294.00			
Provision for Federal taxes.....	1,125,000.00	2,288,200.00	165,000.00	
Total deductions.....	46,035,774.00	17,336,265.00	8,332,327.00	5,889,508.00
Balance.....	6,857,067.00	13,912,005.00	2,044,842.00	30,427.00
Add:				
Equity in undistributed earnings of affiliated companies from date of acquisition.....	217,554.00	602,623.00		
Equity in earnings of affiliated companies from Sept. 1, 1928, to the dates of acquisition and equity in earnings for the year applicable to additional shares of common stock of First National Pictures (Inc.) acquired subsequent to Aug. 31, 1929.....		2,757,177.00		
Net income.....	7,074,621.00	17,271,805.00	2,044,842.00	30,427.00
Preferred dividends.....	402,740.00	761,672.00		
Common dividends.....	8,060,380.00	2,127,597.00		
Surplus after dividends.....	¹ 1,408,499.00	14,382,626.00	2,044,842.00	30,427.00
Previous surplus.....	12,435,878.00	810,429.00	⁵ 1,234,413.00	⁶ 1,284,840.00
Total surplus.....	11,027,379.00	15,193,055.00	810,429.00	⁶ 1,234,413.00
Equity in earnings of affiliated companies from Sept. 1, 1928, to the dates of acquisition and equity in earnings for the year applicable to additional shares of common stock of First National Pictures (Inc.), acquired subsequent to Aug. 31, 1929.....		2,757,177.00		
Surplus as per balance sheet.....	11,027,379.00	12,435,878.00	810,429.00	⁶ 1,234,413.00
Earned per share:				
Preferred stock.....	68.61	59.96		
Class A stock.....			10.27	.15
Common stock.....	⁷ 2.27	⁷ 6.33	4.98	⁷ 6.77

¹ Not reported.² Other income in 1929 is deducted from interest and miscellaneous charges.³ This amount is after deducting \$278,718 interest accrued to dates of issue. At election of noteholders, of interest payable Mar. 1, 1930, \$21,060 was paid in cash and the balance by subsequent issuance of 9,251.5 shares of common stock.⁴ Deficit.⁵ As part of the preferred stock issued in 1928 were converted into common stock, the earnings per common share are shown after allowing for full year dividend requirements on preferred stock outstanding at the end of the year.⁶ Based on shares outstanding Aug. 30, 1930; on average shares outstanding during year, earnings were equal to \$2.44 a share, and on shares outstanding after sale of 753,484 common shares earnings were equal to \$1.77 a share.

Comparative consolidated income account—Continued

	5 months ending Aug. 23, 1926	Years ended	
		Mar. 27, 1926	Mar. 31, 1925
Gross income.....	(¹)	\$3,657,825.00	\$4,549,713.00
Cost of sales.....	(¹)	1,946,289.00	2,555,474.00
Depreciation.....	(²)	(¹)	
Selling and general expenses.....	(¹)	3,391,383.00	832,338.00
Operating income.....	\$2,082,147.00	3,320,153.00	1,161,901.00
Other income.....	159,768.00	* 35,942.00	242,929.00
Total income.....	2,241,905.00	3,284,211.00	1,404,830.00
Deductions:			
Other interest.....	304,173.00	492,382.00	120,310.00
Minority interest.....	773.00	12,150.00	569.00
Amortization.....	2,216,055.00	4,117,506.00	{
Depreciation.....				(^{1})
Provision for Federal taxes.....			182,000.00
Total deductions.....	2,521,001.00	4,622,037.00	302,879.00
Balance.....	* 279,096.00	* 1,337,826.00	1,101,951.00
Net income.....	* 279,096.00	* 1,337,826.00	1,101,951.00
Class A dividends.....		224,979.00	14,743.00
Surplus after dividends.....	* 279,096.00	* 1,062,806.00	1,067,208.00
Previous surplus.....	* 985,744.00	1,196,021.00	102,813.00
Total surplus.....	* 1,264,840.00	* 372,784.00	1,190,021.00
Surplus adjustments.....		(¹)	
Surplus as per balance sheet.....	* 1,264,840.00	* 985,744.00	1,190,021.00
Earned per share:			
Class A stock.....	* 1.40	* 6.69	5.51
Common stock.....	* 1.15	* 4.68	2.89

¹ Not reported.² For year ended Mar. 31, 1927, and subsequent thereto, depreciation is included with amortization and listed under "deductions," and in 1925 depreciation is included with cost of sales.

* Debit.

* Deficit.

Large depreciation and amortization item explained.—December 10, 1930, learned this company had prepared a letter for stockholders in answer to numerous requests for explanation of items in financial statement for fiscal year ended August 1, 1930, particularly with respect to increased charges for interest and amortization. Letter said in part: "Caption 'amortization and depreciation' in consolidated statement of profit and loss includes amortization of negative and positive film cost and sound recording, amortization of leaseholds and depreciation of buildings, plant, and equipment, including those of Brunswick Radio Corporation and other acquired subsidiaries. Increase in amortization and depreciation over previous fiscal year is explained by the amortization of First National Pictures (Inc.) film and amortization and depreciation on newly acquired theater properties, together with an additional amount of depreciation on fixed assets resulting from an increase in rates of depreciation."

Comparative income account (Warner Bros. Pictures (Inc.) only)

[As reported to the New York Stock Exchange, latest available]

	Aug. 31, 1929	Years ended		5 months ended Aug. 29, 1926
		Aug. 31, 1928	Aug. 27, 1927	
Operating income.....	\$18,978,753	\$8,567,144	\$5,021,187	\$1,827,489
Other income.....		90,485	92,299	159,768
Total income.....	18,978,753	8,657,629	5,113,486	1,987,247
Deductions:				
Amortization and depreciation.....	5,931,569	5,671,873	4,601,955	2,103,541
Interest and miscellaneous charges.....	127,331	532,617	557,603	224,003
Provisions for contingencies.....		115,000		
Provisions for Federal taxes.....	1,845,000	165,000		
Total deductions.....	7,903,900	6,487,490	5,159,558	2,327,544
Net income.....	11,074,853	2,170,139	146,072	140,997
Previous surplus.....	885,017	1,678,786	1,632,714	1,292,417
Total surplus.....	11,959,870	1,491,353	1,678,786	1,632,714
Less:				
Dividends paid.....	2,889,178			
Dissolution of subsidiary company.....	89,979			
Adjustment on account of losses of prior years of Metropolitan Theater Co.....		42,632		
Adjustment on account of Vitaphone Co. of Amer- ica (Inc.), dissolved June 29, 1928.....		563,704		
Profit and loss surplus.....	8,980,713	885,017	1,678,786	1,632,714

¹ Deficit.

Comparative consolidated quarterly earnings (Warner Bros. Pictures (Inc.) and subsidiary companies)

(Warner Bros. Pictures (Inc.), and subsidiary companies)

[NOTE.—The addition of quarterly reports will not coincide with the annual figures for year ended Aug. 30, 1930, because of the loss shown in fiscal quarter. For future comparative purposes no adjustment can be made of taxes reserved in first three quarters]

Quarters ended—	Operating income ¹	Total income	Interest and miscellaneous charges	Federal taxes (approx- imate) ²	Net income	Earned per share ³	
						Pre- ferred stock	Com- mon stock
Nov. 30, 1929.....	\$7,596,358.00	\$7,566,358.00	\$1,315,613.00	\$728,500.00	\$5,629,108.00	\$20.90	\$2.07
Dec. 1, 1928.....	3,564,232.00	2,572,930.00	250,205.00	405,000.00	2,917,724.00		2.65
Nov. 26, 1927.....	371,569.00	371,569.00	268,882.00	7,288.00	\$ 95,399.00		.09
Nov. 27, 1926.....	40,192.00	40,192.00	149,277.00		\$ 109,085.00		\$ 10
Mar. 1, 1930.....	6,636,634.00	6,636,634.00	1,422,301.00	643,500.00	4,463,000.00	13.04	1.62
Mar. 2, 1929.....	1,515,776.00	1,569,852.00	770,644.00	518,500.00	\$ 4,336,846.00	11.90	2.10
Feb. 25, 1928.....	771,595.00	771,595.00	263,009.00	36,069.00	\$ 472,407.00		.43
Feb. 26, 1927.....	57,930.00	57,930.00	156,902.00		\$ 98,972.00		\$ 09
May 31, 1930.....	3,431,346.00	3,431,346.00	1,392,611.00	243,000.00	1,673,156.00	16.02	.56
June 1, 1929.....	5,956,143.00	5,893,370.00	793,204.00	731,100.00	\$ 4,703,190.00	13.03	1.90
May 26, 1928.....	655,452.00	745,987.00	233,175.00	36,392.00	\$ 476,370.00		.43
May 28, 1927.....	331,155.00	331,155.00	222,065.00		109,090.00		.10
Aug. 30, 1930 ⁴	\$ 2,339,888.00	\$ 1,778,349.00	3,502,294.00		\$ 5,280,643.00	\$ 51.22	\$ 1.77
Aug. 31, 1929 ⁵	5,078,062.00	5,078,062.00	777,876.00	633,600.00	\$ 5,314,045.00	18.45	1.96
Aug. 31, 1928 ⁶	1,475,284.00	1,475,284.00	274,387.00	85,201.00	\$ 1,115,666.00		1.01
Aug. 27, 1927 ⁷	386,522.00	386,522.00	257,129.00		129,393.00		.12

¹ Operating income is reported after deducting depreciation and amortization.

² Federal taxes were not reported quarterly by the company for year ended Aug. 31, 1928. The amount deducted in annual report was \$165,000; his amount has been pro rated quarterly according to amount shown as earned in each quarter before taxes.

³ Based on 299,327 preferred and 2,645,864 common shares in November, 1929, 247,343 preferred and 2,666,211 common shares in March, 1930, 104,473 preferred and 2,871,182 common shares in May, 1930, 103,107 preferred and 3,015,511 common shares in August, 1930, 285,056 preferred and 2,627,406 common shares in August, 1929, 360,987 preferred and 2,371,652 common shares in June, 1929, 364,337 preferred and 1,969,818 common shares in March, 1929 (adjusted to give effect to 2 for 1 common-stock split, July 2, 1929), and on 1,100,000 common shares in prior periods (adjusted to give effect to conversion of class A stock into common stock, on share-for-share basis, Dec. 1, 1928) and 2 for 1 stock split in July, 1929.

⁴ Includes equity in earnings of affiliated companies prior to date of acquisition amounting to \$217,554 in Nov. 30, 1929, \$906,741 for quarter ended Mar. 2, 1929, \$292,314 for quarter ended June 1, 1929, and \$1,559,122 for quarter ended Aug. 31, 1929.

⁵ Before deducting provision for contingencies.

⁶ Deficit.

⁷ Obtained by deducting total of 9 months from annual income account.

Comparative consolidated balance sheet—Working capital

[Warner Bros. Pictures (Inc.) and subsidiary companies—First National Pictures (Inc.), consolidated for first time in 1930]

	Aug. 30, 1930 ¹	Aug. 31, 1929 ²	Aug. 31, 1928	Aug. 27, 1927	Aug. 28, 1926	Mar. 27, 1926	Mar. 31, 1925
ASSETS							
Studio land, as appraised plus additional			\$1,070,796	\$1,070,796	\$1,047,261	\$716,040	\$638,645
Studio buildings and equipment (less depreciation)			1,075,184	911,024	839,914	1,194,038	1,058,347
Theater real estate, buildings, and improvements			192,708	566,389	658,292	550,604	
Other real estate, buildings, and improvements	\$131,012,064	\$89,548,007	196,280	173,053	112,759	111,692	26,828
Home office equipment and improvements			91,841	47,860	37,309	38,863	23,130
Equipment at film exchanges			50,000	50,000	50,000	50,000	
Theater leaseholds, buildings, and equipment	32,755,292	21,165,303	2,324,368	2,040,347	855,667	926,683	154,004
Total fixed assets	163,767,356	110,713,310	5,009,177	4,889,469	3,601,242	3,587,922	1,900,954
Good will	2,417,997	3,181,672	1,025,250	1,162,827	139,031	139,081	
Investments in and advances to affiliated companies	4,547,434	5,824,590	252,934		567,077	31,164	159,465
Shares in building and loan associations (partly pledged per contract)	716,436	643,795					
Investment in participation of profits, license rights, etc.	2,425,457						
Investment in and advances to wholly owned foreign subsidiaries	635,144						
Miscellaneous investments	99,045	171,629	42,995	24,027	28,514	27,214	26,700
Cash in hands of trustee for protraction of construction contracts		157,512		497,578			
Deposits to secure contracts	2,501,251	1,964,517	251,976	353,216	280,810	293,153	10,399
Mortgages receivable	668,604	765,824					
Accounts receivable, payable in annual installments (secured by shares representing one-half interest in affiliated companies)			100,000				
Development expenses of Vitaphone unamortized	91,757	219,950	338,501	557,665			
Development expenses of foreign subsidiaries			90,822	292,822			
Bond and note discount unamortized	988,998	1,251,117	174,343	273,513	626,159	669,813	42,727
Prepaid insurance, rents, etc.	2,824,645	2,347,908	406,428	381,916			
CURRENT ASSETS							
Cash	5,133,337	4,746,571	822,755	315,783	332,229	492,619	830,577
Notes receivable	1,162,653	1,492,632	108,319	183,563	15,925	22,206	3,330
Film customers	4,077,216	2,552,027	772,215	623,204	306,177	373,635	646,855
Sundry accounts receivable	590,657	1,162,800	161,817	52,137	174,753	66,053	85,408
Advances to outside producers	612,809	121,901			68,438	132,420	
Advances to office and employees	219,009			75,186	64,022	49,527	30,683
Contracts receivable							19,625
INVENTORIES							
Film and Vitaphone product:							
Released at cost (less amortization)	11,310,616	9,247,517	2,693,458	3,685,767	2,574,500	2,789,464	413,117
Unreleased at cost	11,311,424	10,156,973	2,695,296	904,017	912,866	994,657	559,409
Production in progress (cost)	1,398,158	2,902,293	260,392	1,198,304	688,850	531,779	257,002
Positive prints, raw film accessories, and supplies	1,327,997	1,718,458	493,986	381,905	285,977	359,745	96,913

Merchandise finished and in process of manufacture, etc., of radio and miscellaneous divisions.....	4, 163, 207						
Rights and scenarios (cost).....	1, 191, 207	846, 019	92, 185	20, 325	85, 825	112, 875	102, 375
Total current assets.....	42, 498, 290	34, 947, 191	8, 103, 375	7, 475, 191	5, 511, 562	5, 924, 981	8, 045, 294
Total assets.....	230, 185, 444	167, 189, 025	15, 785, 801	15, 913, 224	10, 754, 395	10, 683, 278	5, 185, 534
LIABILITIES							
Class A stock.....			1, 991, 400	1, 997, 800	1, 999, 800	1, 999, 800	2, 000, 000
Preferred stock.....							
Common stock.....	87, 848, 550	61, 176, 112	162, 151	155, 752	153, 752	153, 752	
Profit and loss surplus.....	11, 027, 379	12, 435, 879	810, 429	1, 234, 413	1, 264, 940	985, 743	1, 343, 572
Minority interest.....	1, 827, 385	4, 459, 352	7, 804	110, 234	138, 086	140, 845	13, 365
Funded debt.....	42, 838, 000	19, 205, 000	2, 069, 000	5, 800, 000	4, 000, 000	4, 000, 000	
Mortgages.....	56, 965, 911	49, 239, 127	224, 100	417, 000	785, 750	732, 398	
Purchasing money obligations.....			643, 000	804, 500	153, 776	201, 000	
Construction contracts, payment.....	1, 490, 500			619, 818			
Remittances from foreign companies held in abeyance.....	1, 031, 984	461, 541					
Reserve for premium on debentures and contingencies.....	144, 052						
Capital surplus.....			711, 175	711, 175	711, 175	678, 244	678, 244
CURRENT LIABILITIES							
Notes payable and securities on shares building and loan associations (contra).....	38, 000	78, 000					
Notes payable (banks).....	2, 000, 000	6, 585, 000	2, 248, 221	1, 369, 964	1, 651, 000	1, 183, 000	75, 000
Notes payable (others).....	864, 098	394, 735	4, 636, 763	3, 159, 445	617, 612	484, 821	64, 831
Accounts payable and sundry accruals.....	12, 611, 837	6, 964, 609	1, 452, 597	1, 248, 314	889, 573	999, 428	271, 189
Mortgages and funded debt due within 1 year.....	5, 769, 574	1, 579, 495					
Loans from officers.....			59, 520	51, 000	46, 000		
Purchasing money obligations due within 1 year.....	2, 216, 196	304, 055	267, 500	307, 617	591, 778	737, 160	246, 000
Due to affiliated companies.....	77, 454	93, 096					
Royalties payable to outside producers.....	958, 421	675, 163	74, 048	105, 963	52, 344	98, 589	
Reserve for Federal taxes.....	1, 153, 000	2, 441, 200	165, 000				182, 000
Advances payable on film service, etc.....	1, 323, 103	1, 096, 661	228, 095	289, 652	278, 589	269, 984	
Reserve for guarantees to producers.....						50, 000	
Distribution deposits on contracts.....							311, 333
Total current liabilities.....	27, 011, 683	20, 212, 014	9, 166, 742	6, 531, 858	4, 076, 896	3, 762, 982	1, 150, 353
Total liabilities.....	230, 185, 444	167, 189, 025	15, 785, 801	15, 913, 224	10, 754, 395	10, 683, 278	5, 185, 534
Net working capital ⁷	15, 496, 607	14, 735, 177	1, 063, 367	943, 333	1, 434, 666	2, 161, 999	1, 894, 941

¹ Giving effect as at that date to subsequent sale of 753,484 shares of common stock and the application of proceeds to reduction of notes payable to banks and as additional working capital.

² After giving effect to (a) the sale of \$19,205,000 face value optional 6 per cent convertible debentures and application of proceeds to the reduction of liabilities and as additional working capital, (b) the acquisition of additional shares of common stock of First National Pictures (Inc.), and certain other properties, and (c) the consolidation of the accounts of First National Pictures (Inc.) at Aug. 31, 1929, after giving effect to the redemption of the second preferred class A and class B stocks of First National Pictures (Inc.) on Oct. 1, 1929.

³ Covers investment in Vitaphone Corporation only.

⁴ Includes sinking fund deposits.

⁵ Deficit.

⁶ Includes funded debt.

⁷ Based upon statement of current assets and current liabilities as above.

⁸ Excess of current liabilities over current assets.

Adjusted equities for stock—Adjusted to reflect the conversion of class A stock into common stock on a share for share basis in December, 1928 and two for one common stock split in July, 1929

[Based on comparative consolidated balance sheet]

	Aug. 30, 1930 ¹	Aug. 31, 1929 ²	Aug. 31, 1928	As of Aug. 27, 1927	Aug. 28, 1926	Mar. 27, 1926	Mar. 31, 1925
Number of adjusted no par common shares.....	3,769,025	2,627,406	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Indicates total book value applicable to common stock ³	\$83,847,344	\$48,116,155	\$2,066,239	None.	\$834,697	\$1,037,209	\$4,021,816
Indicates total book value per adjusted common share.....	\$22.25	\$18.31	\$1.87	None.	\$0.76	\$0.94	\$3.66
Good will, etc. ⁴	\$9,601,752	\$9,652,739	\$1,618,916	\$2,291,827	\$765,190	\$808,814	-----
Good will, etc., per adjusted common share.....	\$2.52	\$3.67	\$1.47	\$2.08	\$0.70	\$0.73	-----

NOTE.—Above excludes good will and unamortized bond discount, and unamortized development expense, and after allowing for preferred stock in 1930 and 1929, at \$55 per share, but including in 1930, reserve for premium on debentures and contingencies.

¹ See footnote 1 following Comparative consolidated balance sheet.

² See footnote 2 following Comparative consolidated balance sheet.

³ Including unamortized bond discount and unamortized development expense.

Earning power

[Based on consolidated income account]

	7½ years, Apr. 1, 1923, to Aug. 30, 1930	Annual average
Aggregate net income (after deducting \$453,671 preferred dividend requirements for 2 years on preferred stock outstanding Aug. 30, 1930).....	\$25,555,866	\$3,445,735
Earned per share:		
On 3,015,541 common shares (no par) outstanding Aug. 30, 1930.....	8.47	1.14
On 1,510,831 common shares, average number outstanding on adjusted basis (for details see table following Comparative consolidated income account).....	16.92	2.28

Comparative balance sheet—Warner Bros. Pictures (Inc.) only, as reported to the New York Stock Exchange, latest available

	Aug. 31, 1929	Aug. 31, 1928	Aug. 27, 1927	Aug. 28, 1926
ASSETS				
Studio land (cost).....		\$45,460		
Studio buildings and equipment (less depreciation).....		137,649		
Other real estate, buildings and improvements.....	\$3,074,094	76,211	\$57,212	\$55,272
Theater leaseholds and equipment.....		25,830	22,600	3,789
Home office equipment and investments.....		75,205	30,645	37,309
Goodwill.....	25,250	25,250	25,250	
Investments in subsidiaries.....		3,365,913	5,412,996	2,368,067
Accounts receivable from subsidiaries.....	77,464,444	1,390,515	207,802	379,658
Other investments.....	73,322	294,162	17,501	584,578
Accounts receivable payable in annual installments (secured by shares represented one-half interest in affiliated companies).....		100,000		
Deposits to secure contracts.....	363,980	139,086	122,150	125,100
Deferred charges.....	483,064	299,408	642,075	554,065
CURRENT ASSETS				
Cash.....	818,251	465,234	72,663	123,536
Notes receivable.....	466,459	92,551	123,224	5,402
Accounts receivable.....	115,344	215,226	295,352	312,872
Advances to officers and employees.....			67,841	61,483
Advances to outside producers.....				32,539
Due from subsidiaries and affiliated companies.....	3,987,379			
Inventories:				
Released film (cost less amortization).....	3,142,631	1,713,143	2,718,497	2,497,610
Unreleased film (cost).....	5,102,593	2,535,832	727,180	907,666
Productions in progress (cost).....	1,446,442	209,084	1,130,653	688,850
Positive prints, raw film accessories, etc.....	532,700	256,846	254,402	267,918
Rights and scenarios (cost).....	70,598	92,135	20,325	85,825
Total current assets.....	15,682,397	5,580,051	5,410,137	4,983,101
Total assets.....	97,166,531	11,554,740	11,966,368	9,091,434
LIABILITIES				
Class A stock.....		1,991,400	1,997,800	1,999,800
Preferred stock.....	61,176,112	162,152	155,752	153,752
Common stock.....		319,000	4,000,000	4,000,000
Funded debt.....	19,205,000			
Mortgages payable.....	166,650	71,000		
Purchase money obligations.....		643,000	802,000	135,000
Profit and loss surplus.....	8,980,713	885,017	1,678,787	1,632,714
CURRENT LIABILITIES				
Notes payable (banks).....	3,000,000	1,304,237	918,015	1,651,000
Notes payable (others).....	17,400	4,582,390	3,108,380	602,210
Purchase money obligations and mortgage installment due within 1 year.....		200,000	203,925	376,500
Accounts payable and accruals.....	1,598,278	1,020,251	1,175,345	611,182
Royalties payable.....	72,176	66,186	95,020	39,375
Reserve for Federal taxes.....	2,000,000	165,000		
Advance payments on film service.....		145,107	188,918	155,329
Due subsidiary companies.....	775,508			
Total current liabilities.....	7,638,056	7,483,171	5,689,603	3,435,596
Total liabilities.....	97,166,531	11,554,740	11,966,368	9,091,436
Net working capital ¹	8,044,341	\$ 1,908,120	\$ 279,466	1,547,505

¹ Deficit.

² Based upon statement of current assets and current liabilities as above.

³ Excess of current liabilities over current assets.

HISTORY, BUSINESS, AND PROPERTY

Warner Bros. Pictures (Inc.) was incorporated with a perpetual charter April 4, 1923, under the laws of Delaware and acquired the business theretofore operated as a partnership since 1915 by the four Warner brothers.

Company is engaged in the production, distribution, and exhibition of motion pictures, studios being located in Brooklyn, N. Y., and Hollywood, Calif.

In April, 1925, acquired control of Vitagraph Co. of America and its subsidiaries, and in June, 1928, dissolved this company and transferred its assets to Warner Bros. Pictures (Inc.). The company owns the entire capital stock of the Vitaphone Corporation, formed in April, 1926, and through this corporation owns the trade-mark "Vitaphone." In September, 1928, the company acquired control of Stanley Co. of America and now owns more than 96 per cent of that company's capital stock. In December, 1928, acquired control of Skouras Bros. Enterprises (Inc.), and St. Louis Amusement Co. Early in 1929 acquired entire capital stock of M. Witmark & Sons and of 321 West Forty-fourth Street (Inc.), also acquired 44.9 per cent of preferred and 61.2 per cent of common stock of Continental Lithograph corporation.

In July, 1929, company acquired entire capital stock of Music Publishers Holding Corporation, which in turn held the entire capital stock of DeSylva, Brown & Henderson (Inc.), T. B. Harms Co. (Inc.), Remick Music Co., and other companies and subsidiaries, and which operates, directly or through subsidiaries, an established business of publishing and selling sheet music. The music published is popular and standard music and music for instrumental teaching, theatrical productions, and motion-picture productions. Early in the second half of 1929 the company acquired the outstanding minority interest in the common stock of Stanley-Crandall Co. of Washington, property of Connecticut River Valley Corporation, and property formerly controlled by Silverman Bros. The property acquired from Connecticut River Valley Corporation consisted of the fee title or leaseholds of certain theaters located in Connecticut. The property taken over from Silverman Bros. consisted of 12 theaters controlled by them, all located in Ohio, Pennsylvania, and Maryland, and all equipped for the presentation of sound pictures. In September, 1929, purchase of the Hoffman chain of 19 theaters in Connecticut at a reported price of \$5,000,000 was announced. In August, 1929, a new subsidiary, Warner Bros. Downtown Theater Corporation (Los Angeles), was incorporated to operate theaters in Los Angeles and Fresno, Calif. In November, 1929, the company acquired all of the assets of First National Pictures (Inc.), and subsidiaries.

Principally through issuance of common stock and bonds, company acquired, during 1930 fiscal year, 257 theaters located throughout the United States, including the Schine Chain Theater holdings of about 50 theaters in small Ohio cities, and Harris Circuit and Manos Theater Circuits. As of April 1, 1930, acquired the phonograph, record, and radio departments of the Brunswick-Balke-Collender Co., and formed the Brunswick Radio Corporation to operate them.

Major subsidiary and affiliated companies as of August 31, 1929 (latest available)

	Incorporated		Percentage owned
	State or country	Date	
Land Holding Corporation.....	California.....	Oct. 18, 1923	100
Warner Bros. Broadcasting Corporation.....	do.....	Jan. 23, 1923	100
Warner Bros. Hollywood Theatre Corporation.....	do.....	Nov. 8, 1926	100
Warner Bros. Theatres (Inc.).....	do.....	Aug. —, 1925	100
Do.....	North Carolina.....	May 30, 1925	100
Do.....	Connecticut.....	Aug. 11, 1925	100
Do.....	Ohio.....	Jan. 28, 1916	90.4
Do.....	New York.....	Oct. 16, 1923	100
Warner Bros. Realty Corporation.....	California.....	July 30, 1926	100
Warner Bros. Pictures (Ltd.).....	Great Britain.....	July 19, 1912	100
Vitagraph (Inc.).....	New York.....	Apr. 8, 1915	100
Vitaphone Corporation.....	do.....	do.....	100
Vitaphone Distributing Corporation.....	do.....	July 1, 1929	100
Stanley Co. of America and subsidiaries.....	Delaware.....	June 3, 1919	97
Stanley-Mark-Strand Corporation and subsidiaries.....	New York.....	July 23, 1926	100
Stanley-Fabian Corporation and subsidiaries.....	Delaware.....	Aug. 13, 1926	100
Stanley-Davis-Clark Corporation and subsidiaries.....	Pennsylvania.....	July 26, 1926	75
Stanley-Crandall Co. of Washington and subsidiaries.....	Delaware.....	Aug. 24, 1925	100
Music Publisher Holding Corporation and subsidiaries.....	do.....	Jan. 9, 1929	100
Warner Bros. Artists Bureau (Inc.).....	New York.....	Jan. 14, 1929	100
Continental Realty Corporation.....	Ohio.....	Mar. 20, 1929	100
Continental Theatres Accessories (Inc.).....	New York.....	June 21, 1929	100
Cle Vitagraph de France.....	France.....	Sept. 9, 1916	100
Warner Bros. Pictures G. M. B. H.....	Germany.....	Mar. 20, 1926	100
Warner Bros. Theatres (Inc.).....	Pennsylvania.....	Sept. 27, 1929	100
First National Pictures (Inc.).....	Maryland.....	Nov. 4, 1929	100
Brunswick Radio Corporation.....	Delaware.....	Dec. 26, 1929	100
Skouras Bros. Enterprises.....	do.....	Feb. 28, 1921	100

¹ Class B stock.

Stanley Co. of America, an operating and holding company, was incorporated in Delaware with a perpetual charter. The company and its subsidiaries own or lease about 225 theaters located in the Eastern States in such cities as New York, Philadelphia, Albany, Newark, Baltimore, Pittsburgh, Washington, and other neighboring cities and towns.

A complete description of this company has been published in Standard Corporation Records, alphabetical section.

Skouras Bros. Enterprises (Inc.), a holding company, was incorporated February 28, 1921, in Delaware, with a perpetual charter. Through its subsidiaries it operates a chain of theaters in the St. Louis territory.

A complete description of this company has been published in Standard Corporation Records, alphabetical section.

First National Pictures (Inc.) was incorporated in November, 1929, under laws of Maryland to acquire common stock of First National Pictures (Inc.) of Delaware, then owned by Warner Bros. Pictures (Inc.), and also the entire assets of the Delaware company. The entire capital stock of the Maryland company is owned by Warner Bros. (Inc.). First National Pictures (Inc.) distributes pictures made for it by its producing subsidiary, First National Productions, and by independent producers. Affiliation with Warner Bros. places at disposal of First National all Vitaphone facilities, and the films are known as First National-Vitaphone Pictures. Control of First National Pictures (Inc.) of Delaware was originally acquired by Warner Bros. in June, 1928, partly through acquisition of Stanley Co. of America, and during October, 1929, the remaining minority interest (placed at 23 per cent) was purchased from Fox Film Corporation for \$10,000,000 in cash.

Vitaphone receives 3 per cent of gross revenue of Electrical Research Products (Inc.). Electrical Research Products (Inc.), a subsidiary of the Western Electric Co. (Inc.), receives royalties from its licenses and in turn has contracted to pay to Vitaphone Corporation for the latter's pioneering efforts in this field 3 per cent of the gross income derived from the exercising of their licenses by

all other motion-picture producers who take licenses from Electrical Research Products (Inc.) in the fields and territories covered by the license to the Vitaphone Corporation.

Brunswick Radio Corporation is engaged in the manufacture and sale of talking machines trade-marked "Pantatropes," commercial phonograph records, radio receiving sets, and electrically transcribed records for radio broadcasting, records for use by the Vitaphone Corporation, records for industrial purposes, and standard commercial phonograph records for home use. Principal office is in New York, with distributing offices and agencies in major key cities of the United States, Great Britain, France, Canada, Argentina, Brazil, and Australia. Mechanical parts are manufactured in Muskegon, Mich., and cabinets are manufactured in Dubuque, Iowa.

Warner Bros. Realty Corporation, a wholly owned subsidiary, owns a plot of land at Sunset Boulevard, in Hollywood, Calif., together with the studio and various buildings thereon. All the facilities necessary for the making of modern motion pictures, from the writing of scenarios to the construction of stage sets, filming of the pictures, the recording of voices and music, the development of the negative films, the printing of the positive films, the manufacture of the master records, and the stamping of the final records are available and conveniently grouped together at this studio. About a mile and a half from the main studios, Warner Bros. Realty Corporation owns another tract of land which is used for the erection of many of the more cumbersome outside sets, such as city streets, etc.

DISTRIBUTION

The company's products are distributed throughout the United States and Canada by Vitagraph (Inc.), a wholly owned subsidiary, operating a system of 36 exchanges situated in the principal cities of the United States and Canada, Warner Bros. Pictures (Ltd.), a wholly owned subsidiary (formerly Vitagraph Co. (Ltd.)), through a system of 10 exchanges situated in the principal cities of Great Britain and Ireland, is the distributing agent in those countries. Distribution in France (including Algiers), Belgium, and Switzerland is accomplished through Compagnie Vitagraph de France, a wholly owned subsidiary, which operates a system of 10 exchanges in the principal cities in those countries. Warner Bros. Picture G. m. b. H., also a wholly owned subsidiary, is the vehicle used for distribution throughout Germany. Elsewhere throughout the world pictures are distributed by other corporations, firms, or individuals under annual contracts which for many years have been annually renewed and under which the distributor is required to distribute and agrees to take the company's entire product at a set figure for the year's output.

LITIGATION

Government starts antitrust action seeking divestment of First National Picture stock.—November 27, 1929, Federal Attorney General Mitchell filed suit in Federal court, New York, against this company and Stanley Co. of America, subsidiary, asserting that control of First National Pictures (Inc.) by Warner Bros. violated Clayton Act. It was alleged that through Stanley Co. controlling 25,041 shares of First National and purchase of 71,893 shares of First National in open market Warner Bros. now completely dominated First National and had transferred all First National's business and assets to First National of Maryland, which Warner Bros. created. In this way, it was charged, First National had been eliminated as competitor of purchasing company. Relief sought would have stock purchases set aside, defendants ordered to strip themselves of their First National holdings, and an injunction issued restraining them from exercising their voting rights.

Sherman Act suit dismissed.—August 21, 1930, indictments charging this company and 11 other motion-picture concerns with violation of Sherman anti-trust law were dismissed at request of Government counsel, who placed before court a "consent decree" restraining defendants from entering into any conspiracy for restraint of trade in films.

Receivership bill dismissed.—August 26, 1930, announced that receivership bill filed August 22, 1930, by Ira L. Nelson against company and Renraw (Inc.), real estate subsidiary, had been dismissed by the court upon contention of company that bill of complaint had not been properly verified and sworn to by plaintiff.

In answer to receivership application, on August 25, 1930, company denied all allegations of mismanagement cited in bill of complaint and also charge that excessive prices were paid Renraw (Inc.) for real estate declaring that it had had but two transactions with the latter, one of which was without profit to Renraw (Inc.), and other was at less than cost of subsequent purchases through another agency.

Denying that bank credits were overextended, company admitted that bank loans totaled \$5,530,000, and that such loans had increased since March 1, 1930, but stated that the sum was still less than half company's line of bank credit and that loans had not increased in proportion to assets. In defense of sale of common stock to shareholders, which Mr. Nelson charged had been illegally authorized, company said the issue had been underwritten, but, as matter of right, had also been tendered to holders, and that such action, instead of constituting gross mismanagement of finances, was sound method of raising capital which would improve financial position of company and be more than sufficient to pay off bank loans.

MISCELLANEOUS INFORMATION

Exhibition of company's releases by Loew's Theaters in New York.—July 21, 1930, announced that all Warner and Vitaphone pictures would be shown in Loew theaters in five boroughs of New York City.

Merger of subsidiaries.—October 20, 1930, stockholders of Warner Bros. Theaters (Inc.), subsidiary, approved merger with Danbury Amusement Co. On October 19, 1930, reported that Mitchell H. Mark Realty Corporation had merged with Stanley-Mark-Strand Corporation, subsidiary.

Booking agreements.—October 2, 1930, reported company had entered into \$3,500,000 booking agreement with Universal Pictures Co. (Inc.), for showing Universal films in Warner theaters. October 18, 1930, reported company had contracted for 1930-31 Columbia Pictures Corporation product of audible features for an aggregate of \$4,000,000.

OFFICERS AND DIRECTORS

Officers: Harry M. Warner, president; Albert Warner, S. E. Morris, Jack L. Warner, Herman Starr, and Edwin H. Morris, vice president; Abel Cary Thomas, secretary; Albert Warner, treasurer; Samuel Carlisle, comptroller and assistant treasurer; Harold S. Bareford, Paul A. Chase, and E. K. Hessberg, assistant secretaries; Thomas J. Martin, auditor.

Directors: Harry M. Warner, president; Albert Warner, vice president;¹ Waddill Catchings¹ (Goldman, Sachs & Co.); Henry A. Rudkin¹ (McClure, Jones & Co.), Richard F. Hoyt¹ (Hayden, Stone & Co.), Walter E. Sachs¹ (Goldman, Sachs & Co.), Lewis J. Warner, Abel Cary Thomas, and Moe Mark, all of New York; Jack L. Warner (vice president), Los Angeles, Calif.; Morris Wolf, Philadelphia, Pa.

¹Also a director in other companies.