



FEDERAL RESERVE BANK OF DALLAS

THOMAS R. SULLIVAN
VICE PRESIDENT

DALLAS, TEXAS 75222

August 1, 1969

To the Regulation G Registrant Addressed:

Effective July 8, 1969, the Board of Governors of the Federal Reserve System has amended its Regulation G, "Securities Credit by Persons other than Banks, Brokers, or Dealers," issued pursuant to the Securities Exchange Act of 1934. The amendments implement the provisions of the "Over-The-Counter Margin Act" (P.L. 90-437) passed by Congress last year.

Hitherto, persons have been subject to the margin and other requirements of the regulation if they extended credit in excess of certain minimum amounts against collateral including any "registered equity securities." The amendments broaden this concept to include certain over-the-counter stocks, and substitute the term "margin securities" (see section 207.2(d), (e), and (f) of the regulation as amended, a copy of which is enclosed for your convenient reference). Margin securities include:

- (1) stocks registered on a national securities exchange,
- (2) stocks traded over the counter and included in a "List of OTC Margin Stocks" published by the Board of Governors of the Federal Reserve System,
- (3) debt securities convertible into (1) and (2) above, and
- (4) shares of most mutual funds.

With respect to (2) above, the regulation applies to credit extended on OTC margin stocks on and after the effective date of the amendment (after August 31, 1969, in the case of credit provided for in a plan, program, or investment contract described in section 207.2(c)(3)). Credit extended to purchase or carry OTC margin stocks prior to the relevant date may remain outstanding and is not subject to margin requirements, except as to any subsequent increase. For purposes of quarterly reporting on Federal Reserve Form G-4, credit extended or arranged prior to July 8, 1969, the effective date, against collateral consisting of OTC margin stock or debt securities convertible into OTC margin stock (and no other margin securities) should not be treated as "purpose" credit.

A copy of a "List of OTC Margin Stocks," published as of the effective date of July 8, 1969, has been sent to you under separate cover.

If you have any questions regarding Regulation G, please write or call Mr. J. O. Russell, Chief Examiner of this Bank.

Sincerely,

A handwritten signature in cursive script that reads "J. O. Russell". The signature is written in dark ink and is positioned above the typed name.

For Thomas R. Sullivan
Vice President

Enclosures

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 69-196
August 4, 1969

CHANGES IN LIST OF OTC MARGIN STOCKS

To All Banks, Brokers/Dealers,
Nonbank Lenders and Others Concerned
in the Eleventh Federal Reserve District:

The following changes, effective July 31, 1969, should be made in the official LIST OF OTC MARGIN STOCKS, dated July 8, 1969, which was enclosed and distributed with our Circular No. 69-167 dated July 7, 1969. Also enclosed is the text of the Board's press release dated July 30, 1969, announcing the changes in the LIST OF OTC MARGIN STOCKS.

Additions

Bangor Hydro-Electric Co. \$5.00 par common	Beecham Inc. \$1.00 par common
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Panoil Company
\$.10 par common

Name Changes and Corrections

<u>From</u>	<u>To</u>
Bank of New York \$15.00 par common	Bank of New York Co. \$15.00 par common
First Pennsylvania Banking and Trust Company Capital, par value \$5.00	First Pennsylvania Corp. \$5.00 par common
Girard Trust Bank Capital	Girard Company \$1.00 par common
Pettibone Mulliken Corporation \$10.00 par common	Pettibone Corporation \$10.00 par common
United Family Life Ins. Co. (Ga.) \$.50 par voting, common	Interfinancial Inc. \$1.00 par common
Wachovia Corporation, N. A. \$5.00 par common	Wachovia Corporation \$5.00 par common

Deletions

Aztec Oil and Gas Company
\$1.00 par common

Yours very truly,

P. E. Coldwell

President



FEDERAL RESERVE

press release

For immediate release.

July 30, 1969.

The Board of Governors of the Federal Reserve System today announced several changes in its "List of OTC Margin Stocks" published on July 8, 1969.

Three stocks are added to the list and will be subject to the same 80 per cent margin requirements as other over-the-counter stocks that became subject to margin regulations on July 8. Margin requirements on the three stocks will apply only to loans made on and after July 31. The stocks are: Bangor Hydro-Electric Co., \$5.00 par common; Beecham Inc., \$1.00 par common; and Panoil Company, \$.10 par common.

One stock, Aztec Oil and Gas Company, \$1.00 par common, is deleted by virtue of listing on a national securities exchange.

Six other changes have been made to bring the list up to date: Bank of New York, \$15.00 par common, has been changed to Bank of New York Co., \$15.00 par common; First Pennsylvania Banking and Trust Company, Capital, par value \$5.00, has been changed to First Pennsylvania Corp., \$5.00 par common; Girard Trust Bank, Capital, is now Girard Company, \$1.00 par common; Pettibone Mulliken Corporation, \$10.00 par common, becomes Pettibone Corporation, \$10.00 par common; United Family Life Ins. Co. (Ga.), \$.50 par voting, common, has been changed to Interfinancial Inc., \$1.00 par common; and Wachovia Corporation, N.A., \$5.00 par common, is corrected to read Wachovia Corporation, \$5.00 par common.