

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 71-43
February 11, 1971

AMENDMENTS TO REGULATION F

To All State Member Banks
in the Eleventh Federal Reserve District:

The Board of Governors of the Federal Reserve System has amended sections 206.4(g)(2) and 206.5(1) of Regulation F, "Securities of Member State Banks", effective February 4, 1971, in view of the provisions of an Act of Congress approved December 22, 1970 (Public Law 91-567). The Act, among other things, amended the Securities Exchange Act of 1934 to require disclosure of certain information concerning acquisitions of more than 5 per cent of a class of equity securities registered pursuant to the 1934 Act (rather than 10 per cent, as formerly).

A copy of the amendments in slipsheet form is enclosed for insertion in the ring binder containing the Regulations of the Board of Governors and the Bulletins of this Bank. Additional copies may be obtained by contacting our Bank Examination Department.

Yours very truly,

P. E. Coldwell

President

Enclosure (1)

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

SECURITIES OF MEMBER STATE BANKS

AMENDMENTS TO REGULATION F

Tender Offers and Other Stock Acquisitions

1. Effective February 4, 1971, section 206.4 (g)(2) is amended as set forth below:

SECTION 206.4 — REGISTRATION STATEMENTS AND REPORTS.

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(g) Current Reports.***

(2)(i) Any person who, after acquiring, directly or indirectly, the beneficial ownership of any equity security of a member State bank, of a class which is registered pursuant to section 12 of the Act, is directly or indirectly the beneficial owner of more than 5 per cent of such class shall, within ten days after such acquisition, send to the bank at its principal executive office, by registered or certified mail, send to each exchange where the security is traded, and file with the Board a statement containing the information required by Form F-11. Eight copies of the statement shall be filed with the Board.

(ii) Acquisitions of securities by a security holder who, prior to such acquisition, was the beneficial owner of more than 5 per cent of the outstanding securities of the same class as those acquired shall be exempt from the reporting requirements of subdivision (i) of this subparagraph if the following conditions are met: (a) the acquisition is made pursuant to preemptive subscription rights in an offering made to all holders of securities of the class to which the preemptive subscription rights pertain; (b) the purchaser does not, through the exercise of such preemptive subscription rights, acquire more than his or its pro-rata share of the securities offered; and (c) the acquisition is duly reported pursuant to section 16(a) of the Act and the provisions of § 206.6 promulgated thereunder.

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2. Effective February 4, 1971, section 206.5 (I) is amended as set forth below:

SECTION 206.5. — PROXY STATEMENTS AND OTHER SOLICITATIONS UNDER SECTION 14 OF THE ACT.

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(1) Invitations for tenders. (1) No person, directly or indirectly, by use of the mails or by any means or instrumentality of interstate commerce or of any facility of a national securities exchange or otherwise, shall make a tender offer for, or a request or invitation for tenders of, any class of any equity security, which is registered pursuant to section 12 of the Act, of a member State bank if, after consummation thereof, such person would, directly or indirectly, be the beneficial owner of more than 5 per cent of such class, unless, at the time copies of the offer or request or invitation are first published or sent or given to security holders, such person has filed with the Board a statement containing the information and exhibits required by Form F-11.

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(5) If any securities to be offered in connection with the tender offer for, or request or invitation for tenders of, securities with respect to which a statement is required to be filed pursuant to subparagraph (1) of this paragraph, have been or are to be registered under the Securities Act of 1933, a copy of the prospectus containing the information required to be included therein under that Act shall be filed as an exhibit to such statement. Any information contained in the prospectus may be incorporated by reference in such statement.

(6) Eight copies of the statement required by subparagraph (1) of this paragraph, every amendment to such statement, and all other material required by this section shall be filed with the Board.

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