

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-8097

October 26, 1934.

SUBJECT: Section 32 - Investment Trusts
Dealing in Own Securities.

Dear Sir:

The Board's letter of March 12, 1934 (X-7820) requested you, in any case in which a ruling was required as to the applicability of section 32 to a so-called investment trust of the management type, to furnish the Board with certain information regarding the nature of the operations of the organization, but that letter did not request information as to the extent and nature of the activities of the organization in connection with the sale, distribution, repurchase or redemption of its own stock, bonds, or other securities. However, in considering applications and requests for rulings involving the applicability of section 32 to such investment trusts, it has come to the attention of the Board that in some cases the nature and extent of their activities in connection with dealings in their own securities has been such as to become a factor in determining the applicability of section 32 to them.

Therefore, it will be appreciated if, in connection with future cases requiring a ruling of the Board as to the applicability of section 32 to such investment trusts, you will obtain and furnish the Board with

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information as to the following, in addition to the information requested in the Board's letter of March 12, 1934 (X-7820):

1. The manner in which the stock, bonds or other securities of the organization were originally sold and distributed to the public.
2. The manner in which such securities are at present being sold or distributed, if they are now being sold or distributed.
3. For each of the past three years, the number and par value of the (a) shares, (b) bonds, and (c) other securities of the organization which have been sold or issued.
4. For each of the past three years, the number and par value of the (a) shares, (b) bonds, and (c) other securities of the organization which have been repurchased or redeemed by the organization.
5. In the event that any such securities have been thus repurchased or redeemed, a description of the terms, conditions and manner of such repurchase or redemption.

In addition to such information, the Board will be glad to have any further information or comments which you feel should be furnished.

Very truly yours,

Chester Morrill

Chester Morrill,
Secretary.

TO ALL F. R. AGENTS.