

THE CAPITAL ISSUES COMMITTEE
OF THE
FEDERAL RESERVE BOARD

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and
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Federal Reserve District No. 1.

**An address by
Frederic H. Curtiss
before the
City Treasurers and Collectors Association
of Massachusetts
at Boston, March 23, 1918.**

OUTLINE OF SPEECH

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Mr. Toastmaster and Gentlemen:—

I deeply appreciate the opportunity which your President, Mr. Pike, has given me to address you this afternoon on the subject of the Capital Issues Committee. It is a great privilege to meet with you and to have the opportunity of discussing a subject in which we are all vitally interested at the present time, the conservation of capital and materials.

Why the Capital Issues Committee Was Created

In order to win the war, it is imperative at this time that labor, materials and credit be placed at the disposal of the Government in the largest possible measure. Any unnecessary production or consumption of goods, and any unnecessary use of credit, saps and weakens the fighting strength of the Nation.

There is no doubt about the willingness of the people of the United States to meet the Government's requirements generously and without reserve; but they demand, and are entitled to, guidance as to which industries and what pursuits are to be considered as necessary for the best interests of the Country, and, therefore, are to be stimulated, and which, on the other hand, are to be held as unnecessary, and therefore, to be discouraged under present circumstances.

The problem affects with peculiar force our banking operations, because credit improperly granted not only wastes savings that should be made available to the Government, but misdirects at the same time the use of labor and material which should be devoted to our National purposes.

To bring about the proper control of credit is, therefore, one of the foremost endeavors of the nations at war and it is for this reason that the European belligerent countries have created central organizations whose duty it is to state authoritatively whether or not the sale of securities (stocks, bonds or notes) is in the public interest, and to the end that, either by voluntary agreement or by act of law, no securities shall be placed on the market except with the approval of these bodies. *It is for this reason* that the Capital Issues Committee of the Federal Reserve Board was created at the suggestion of Mr. McAdoo, the Secretary of the Treasury.

France, Germany and England have highly organized Committees similar to the one now sitting in Washington and with much greater powers. I shall not take your time to describe the French and

German Systems, but I think you may be interested in a brief outline of the English system, after which our own has been closely copied.

The English System

The control of new issues of capital by the English Government started with the re-opening of the London Stock Exchange, which, as you know, after being closed from the end of July, 1914, was re-opened at the beginning of January, 1915, subject to special conditions and regulations agreed upon between the British Treasury and the Committee of the London Stock Exchange and later accepted by the other Stock Exchanges of the United Kingdom. In accordance with this agreement, the Committee of the London Exchange bound itself and its members to deal in stocks and shares subject strictly to the regulations approved by the British Treasury. These regulations were not statutory, but the penalty of failure to observe them in any particular was expulsion from the Stock Exchange of any member found guilty of contravening the regulations.

The particular regulations which dealt with new issues of securities provided that no dealings should be allowed on the London Stock Exchange in any securities issued subsequent to the date of these regulations unless the issuance of such securities had been first approved by the British Treasury.

A Committee known as "The Capital Issues Committee" was appointed by the Chancellor of the Exchequer (as the Secretary of the Treasury is designated in Great Britain) to examine all applications for approval, of new issues and to recommend to the Treasury whether or not approval should be given to any issue. The original Committee consisted of Lord St. Aldwyn, who had been Chancellor of the Exchequer from 1896 to 1902, as chairman; Lord Cunliffe, Governor of the Bank of England; Sir Thomas Whittaker, M.P.; Sir Frederick Vanbury, M.P.; Sir George Barnes, Assistant Secretary of the London Board of Trade; and Mr. B. P. Blackett, Secretary who, at the present time, is in Washington as financial advisor to the British Embassy.

The Committee soon found that applications for permission to make new issues were being received not merely in regard to important issues, and issues that might seek a place on the quotation lists of the Stock Exchange, but also in respect to issues of securities

by public and private companies of all sorts, and it decided that it was desirable as far as possible to prevent *any new issue* taking place without Treasury approval, although the penalty of being unable to obtain dealings on the Stock Exchange was of little or no consequence in many cases.

There have undoubtedly been a number of new issues put out by private concerns and small public companies in England, but owing to the co-operation of the bankers and a large majority of the brokers and financial houses, generally speaking no new issues of any importance have been marketed since January 1915, without this Treasury approval and the number of applications dealt with up to the end of June, 1917, was something like 15,000.

It may be stated broadly, therefore, that after a transition period covering the year 1915, no new issue of any character, except for renewal purposes, has been approved by the British Capital Issues Committee unless for purposes directly connected with the prosecution of the war.

Soon after the Capital Issues Committee was constituted, the question of Capital expenditures and borrowings by local authorities in Great Britain came under the consideration of the Committee.

It did not deal in detail with the question of new Capital Expenditures by local authorities, but recommended that the Treasury take up the question with a view to preventing new capital expenditure as far as possible. The town clerks and treasurers of most of the large cities were called together at the Treasury, and it was urged upon them that in order to conserve the capital and labor of the country for the prosecution of the war, further capital expenditure by local authorities should be reduced to the minimum.

A circular was drawn up by the British Treasury and issued in March 1915 informing all local authorities that the sanction of the Government board would not be given for new capital expenditure in any cases where such sanction was necessary by law unless the local authority could prove to the satisfaction of the Treasury that such expenditure was essential for the prosecution of the war; as for example:—

- 1: The extension of electric power plants owned by municipal corporations.
- 2: Or in the interests of public health.
- 3: Or the extension of a water supply in cases where there was a serious danger of shortage.

This circular covered capital expenditures by most of the smaller communities but did not cover capital expenditures on a large scale by the larger cities, whose authority for such expenditures was dependent on acts of parliament. In practice, however, pressure from the Treasury and the local Government board and co-operation by the Treasurers and town clerks has sufficed, even in respect to contracts already let. For instance:—a contract had been made involving 1,000,000 for the erection of a new County Hall by the London County Council. Arrangements were made with the contractors to bring the work to an end for the period of the war as soon as a stage had been reached where the building could be left unfinished without wasting the work already done.

As a result, the capital expenditures by local authorities has ceased except where absolutely necessary for public welfare or for purposes directly concerned with the conduct of the war, and *one incidental effect* has been that considerable sums have accumulated by the local authorities in sinking funds established in connection with capital expenditure which have become available for investment in war loans.

Many of you, I recall, have already followed this practice and a large amount of Liberty Loan Bonds and Treasury Certificates of Indebtedness are now carried as investments in sinking fund accounts in this district.

To sum up, the English Committee was a voluntary organization created as a war measure and with no specific law which forced submission to its regulations; but, as a matter of fact, it acted as a law because of the splendid co-operation of the Stock Exchanges, Investment Houses, Bankers and local authorities. This gave the Committee a very complete control and it has exercised this control with a strong hand. It worked with the idea that in order to win the war, it was not only a question of conserving, to the greatest possible degree, all available credit and the savings of the country, but also material and labor, and to the end, that all unnecessary expenditures both private and public, and unnecessary operations should be restricted.

Let us now follow the development of a committee similar in character now known as THE CAPITAL ISSUES COMMITTEE OF THE FEDERAL RESERVE BOARD.

Its Organization

For some months, in the United States, the conviction had been growing and taking a more definite form that corporate and municipal issues should be controlled in a manner similar to the English system. Committees formed in several financial centers urged the Government to take steps along these lines and these became more insistent as the banks and the public became convinced that there was no such thing as "*unlimited resources*" nor was there any such thing as "*business as usual*," when, as a matter of fact, business and financing has been driven into the most unusual channels the world has ever seen.

Acting upon these urgent pleas, Secretary McAdoo issued a statement asking all would-be issuers of new securities to communicate with him in order that he might express the point of view of the Government as to whether or not the issue of such securities was or was not compatible with the public interest.

This request met with such a hearty and spontaneous response that he soon found that it was impossible for him fairly and justly to deal with these cases without creating an effective organization which could undertake the careful study of each individual case and judge it upon its own merits.

In a letter dated January 11, 1918, Secretary McAdoo invited the Federal Reserve Board "as another patriotic service to assume the responsibility of passing upon such proposals as may be submitted to it with respect to capital expenditure or the issue of new securities." The Federal Reserve Board acting upon this letter passed a resolution accepting this charge and appointed three of its members, the Honorable Paul M. Warburg, Vice-Governor of the Board, Chairman; Honorable Charles S. Hamlin and the Honorable F. A. Delano, to act as a "Capital Issues Committee" and authorized this Committee to engage the necessary staff and to appoint an Executive Advisory Committee to assist it in investigating and passing upon all cases that might come before it.

This new Committee was fortunate in being able to prevail upon such public spirited and able citizens as Mr. Allen B. Forbes of New York, a member of the banking firm of Harris, Forbes & Company; Mr. F. H. Goff, President of the Cleveland Trust Company, and Mr. Henry C. Flower, President of the Fidelity Trust Com-

pany of Kansas City, to become members of its Advisory Committee. In addition, it secured the services of Mr. Bradlee W. Palmer of Boston, an expert on corporation law, to act as its counsel.

The Capital Issues Committee then organized twelve Sub-Committees with head quarters at each of the twelve Federal Reserve Banks and requested the Chairman of the Board of Directors of each bank to act as Chairman of the Sub-Committee and the Governor of the Federal Reserve Bank to act as Vice-Chairman. Three additional gentlemen representing expert knowledge in municipal, industrial or public utility financing, constitute, with the Chairman and Vice-Chairman, the permanent Sub-Committee in each Federal Reserve District. In addition members were appointed in each district to serve as alternates to the permanent committee known as the Auxiliary Sub-Committee.

The permanent New England Committee at present consists of Frederic H. Curtiss, Chairman of the Federal Reserve Bank, as Chairman; Charles A. Morss, Governor of the Federal Reserve Bank, Vice-Chairman; Francis R. Hart, Vice-Chairman of the Old Colony Trust Company; John E. Oldham of Merrill, Oldham & Company; Robert Winsor of Kidder, Peabody & Company.

The following gentlemen comprise the Auxiliary Committee: Charles Francis Adams, Treasurer of Harvard University; Henry G. Bradlee of Stone & Webster; Philip Cabot of White, Weld & Co.; Allen Curtis of Curtis & Sanger; Henry B. Day of R. L. Day & Co.; Allan Forbes, President of the State Street Trust Company; and James F. Jackson, a prominent attorney at law.

I want to impress upon you that none of these men give advice or report upon any application in which any of them have a direct or indirect personal interest, and that they have undertaken their duties at the request of the Federal Reserve Board as a patriotic service to the country.

The New England Committee has secured the services of Edward H. Kittredge as Secretary. Mr. Kittredge was formerly Manager of the Statistical Department of the Old Colony Trust Company and is conversant with the character of the information which the Committee needs for its investigations.

The Central Committee at Washington and the Sub-Committees have been at work now a little over a month and have received the hearty co-operation of Corporation Executives, Municipal Officers,

Bankers and Brokers, Boards of Trade and Stock Exchange Organizations in all sections of the Country.

Most of you received from me not long ago copies of the resolutions of the League of Kansas Municipalities expressing a hearty desire to co-operate with the Capital Issues Committee and outlining several different recommendations which are being carried out by the Cities and Towns of that State. The American Bankers Association, The Investment Bankers Association of America, the New York and Boston Stock Exchanges, the Richmond Real Estate Exchange, the Chamber of Commerce of Boston, Mayor Peters of Boston in his recent inaugural address, and countless others, all acknowledge the importance and necessity of the work of this Committee and have signified their intention to co-operate in its work.

The resolution of the New York Stock Exchange reads as follows:

“Resolved: That the Committee on stock lists will require as a condition to the listing of such new capital issues the presentation of the approval of such committee of the Federal Reserve Board.”

That of the Board of Governors of the Investment Bankers Association of America:

“Resolved: That the Board of Governors of this association heartily endorses the plan for the supervision of capital issues in operation and further heartily endorses the general purpose of the War Finance Corporation Bill as being consistent with and furthering the mobilization and conservation of capital for the purpose of winning the war.”

“Resolved: That it is the sense of this board that no member of this Association should buy or sell or offer for sale except subject to the final approval of the Capital Issues Committee, any securities which come within the scope of the Capital Issues Committee regulations unless the issuance of such securities first shall have been approved by that Committee.”

The resolution of the American Bankers Association:

“Whereas, the Federal Reserve Board has named Mr. Warburg, Mr. Delano and Mr. Hamlin on a Committee to be known as the Capital Issues Committee, now, therefore, *Be it Resolved,* that we, the administrative Committee of the American Bankers Association, are in full accord with this movement and give it a hearty and unqualified support and further, that we recommend to the members of the American Bankers Association that they also extend their hearty support in carrying out the purposes for which the Capital Issues Committee was appointed.”

I think you will agree with me that these are strong resolutions and will have a very far-reaching effect.

As you doubtless know, the Governor of the Commonwealth addressed a letter to Mr. Endicott, Executive Manager of the Committee of Public Safety, urging him to get in touch with the proper authorities in every City and Town to the end that they impress upon the Towns the necessity of appropriating the smallest possible amount of money for administration purposes and that they explain to them the great need of rigid economy and the curtailment of proposed improvements. The town warrants of many towns reflect the influence of the Governor's suggestion.

The Governor of the State of Vermont, through the Vermont Committee on Public Safety, addressed letters to the moderators and selectmen of every town and to the Mayors of all the Cities, requesting that, in every town where financial meetings were held, time be taken to consider the important questions involved in the World War into which this country had been drawn.

In the town meetings held throughout New Hampshire recently, a proclamation was read, also a message from the New Hampshire Committee on Public Safety, dealing with the war and the need of economy and thrift at the present time. In many towns, patriotic speeches were made and resolutions were drawn up.

The Governor of Maine has informed me that at a meeting of the selectmen of the towns of Maine, at which more than three hundred towns were represented, the question of economy in municipal expenditures and the curtailment of unnecessary work was discussed, and the general disposition among the towns in Maine was to be conservative in making appropriations for the duration of the war.

Thus you will see that the co-operation which The Capital Issues Committee is receiving is not confined to any one group or district but extends through states, cities, corporations, bankers and business organizations of every character.

Its Function

Like the English Committee, the function of the Capital Issues Committee is to pass upon offerings for sale of stock, bonds and notes and in so doing, it only examines into two questions:—

1: Whether the offer is timely with respect to the financial operations to be undertaken by the Government from time to time, and

2: Whether the objects for which the funds are to be raised by the offer of securities are compatible with the public interest.

The Committee is in no sense interested nor will it pass upon the intrinsic merit of securities to be offered for sale.

The Kind of Issues It Passes Upon

The issues which should be referred to the Capital Issues Committee may properly be sub-divided into three classes:—

- 1: State and Municipal Issues.
- 2: Public Utility Issues.
- 3: General Industrial Issues.

Mr. McAdoo, as Director General of Railroads, has undertaken to pass upon all issues covering the financing of railroads and railroad construction.

Because of the vast number of issues which might be presented to the Committee for its approval, it has been forced to place a limit on the par value amount of issues upon which it will give an opinion. The limit placed on Public Utility and Industrial issues is \$500,000 and the limit on State and Municipal issues is now \$100,000 (having been reduced from \$250,000 to \$100,000 on February 23d, last).

The question of reducing the limit on corporation issues is under discussion at the present time and it is expected that it will be reduced to \$100,000 in the near future.¹

Another important point and one which is of special interest to you is the fact that the Capital Issues Committee has ruled that it will not pass upon bond or note issues which mature in less than one year. This excludes notes of municipalities issued in anticipation of taxes from the category of issues which this Committee will pass upon.

The Method of Procedure

I want to say just a word about the manner in which these Committees conduct their work. No doubt you have seen the letter of instructions² which the Capital Issues Committee has prepared for applicants and with respect to proposed issues of bonds, notes and issues of stock. These instructions should be followed carefully

1. The War Finance Act of April 6, 1918, provides for this reduction.
2. See appendix for copy of this letter of instructions.

inasmuch as they outline the character of information which should accompany each application to the Committee.

The Central Committee at Washington has requested that all applications should be addressed to it at 718 Metropolitan Bank Building, Washington, D. C., but that all applications with all the requested data should be made in duplicate and filed with the Secretary of the Sub-Committee of each Federal Reserve District; one copy being retained by the Sub-Committee and the other being sent to the Capital Issues Committee when completed.

The Central Committee at Washington generally can pass at once on an application which is accompanied by full details, and where the character of the expenditure is clearly marked. In doubtful cases, however, the applications are referred back to the local Sub-Committee for its recommendation, and the exhibits are reviewed by that Committee.

In order that the procedure may be carried forward without unnecessary delay, each member of the Permanent Sub-Committee is kept informed of all applications forwarded to Washington. In this way, the Sub-Committee is ready to formulate a recommendation when required and without undo delay.

The Committee appreciates how important prompt action is to the applicant and I can assure you that the process of getting an application acted upon is usually a matter of a few days; about four on the average. On the other hand, I urge upon those of you who may have occasion to present financial projects for approval, that you do not wait until the last moment before sending in your application and the required exhibits, but that you allow the Committee as much time as possible, because it is asked to pass upon a vast number of applications coming from all sections of the country.

Its Policy in Dealing With Securities

The Central Committee at Washington is guided in its deliberation by the thought that only by subordinating local and personal interests to the public welfare and by enforcing the most rigid economy in matters of personal and private expenditures, can the United States hope to bear its part of the financial burden of the war and to release sufficient labor and material for war purposes without depletion of our own resources. From this point of view, the Committee has adopted as its policy that during the period

of the war, favorable action should be taken only where state, county, municipal, corporation or individual financing involve projects which will contribute to the prosecution of the war or which are essential to the public health and welfare.

While the Central Committee reserves the right to deal with each individual case on its own merits, it may be said that the Committee

will consider favorably applications submitted involving the refunding of maturing applications;

will consider favorably applications submitted involving the funding of Capital Expenditure incurred prior to February 1, 1918; provided, however, that the Central Committee may deviate from this policy if available cash assets reasonably may be used for the payment of such debts in whole or in part, or excessive cash distributions to shareholders are contemplated, or in cases where the requirements of the corporation may be met in some manner without undue risk or hardship.

Do not misunderstand this to mean that funding of banking indebtedness incurred after February 1, 1918, will not be permitted. Close investigation may establish cases where such funding may be proper. What is to be avoided, however, is that those intending to apply for permission to issue securities should not first run into debt, conceivably for purposes not compatible with public interests, and then ask for permission to fund the banking indebtedness already incurred.

As regards the issue of new securities the Committee's policy will be that the sale ought to be considered favorably where the purpose of the financing will bring results within the calendar year of 1918. Exceptions will be granted where, as a matter of Military or economic protection, work ought to be undertaken extending over the year 1918, or where so much money has already been invested that the amount necessary to complete the work may be considered as insignificant as compared with the money already hazarded in the undertaking; namely, projects involving the construction of electric power or other similar projects.

As to the construction of new roads, drainage and irrigation projects, the view is held that only such construction should be undertaken at this time as is of great strategic or economic import-

ance and especially only such as promise to produce results within the year 1918.

In dealing with State and Municipal expenditures, the decisive factor in the deliberations of the Committee has been, whether or not the expenditure is absolutely necessary for the health and welfare of the community, and the Committee urges that the public authorities, both State and Municipal, approve appropriations only where urgently required by the health and welfare of the people.

As regards building operations, Secretary McAdoo has said, "Home building is an excellent thing in normal times, but at present, unless there is a real shortage of houses for war workers, I strongly advise that materials, valuable labor, and credit be not utilized for these purposes." The Capital Issues Committee feels that it would be unwise and impracticable to attempt to restrict entirely the building of homes in communities where the population is rapidly increasing, but *that it is justified* in attempting to restrict building operations in communities where the growth is normal, even though some inconvenience and discomfort results. Everyone is asked to practice self-denial and sacrifice to the extent of deferring building operations which are not essential for public health or public welfare.

It is needless to say that the local Committees are exerting their utmost efforts to spread this gospel in their districts, and I might add that they have received the heartiest co-operation on all sides and that many unnecessary building projects, such as the construction of churches, grade schools, industrial buildings, etc., have been postponed as the result. I have no doubt that as we go along and as an understanding of the extent of our National requirements spreads, we will have no difficulty in securing the fullest co-operation from all.

Conclusion

In conclusion, let me make it clear that the operations of the Capital Issues Committee are confined to new issues of securities offered for public sale, and that in every case the Committee is most anxious to reach a fair and just conclusion, and that it counts upon the co-operation of every individual, corporation, and municipality to bring about these results.

I want also to make clear the fact that individuals who finance themselves in the regular course of business without applying to the investment market by the public sale of securities in amounts in excess of the limits described, do not come within the purview of the operations of the Committee.

I trust, too, that I have left with you the conception that this Committee is working, in a constructive way, to bring about a proper control of credit and to keep the financial channels clear for the big task which the Government has undertaken; namely, to bring this war to a swift and successful conclusion.

Finally, I want to emphasize what, to my mind, is the most important thing of all. It is unnecessary for me to ask you gentlemen to co-operate with us in reducing municipal expenditures to the lowest possible volume, for I know that you all can be counted upon to do that; **BUT I DO WANT YOU TO SPREAD THE GOSPEL OF SAVING AND ECONOMY**, and to preach the doctrine of reducing all capital expenditures, both private and public, in your different localities.

We desire to eliminate expenditures of every character that can be postponed until after the war. It makes no difference whether it is for a new town hall, an unnecessary road, a church, a school, or a private dwelling. **ALL THESE CAN WAIT; BUT OUR ARMY, AND THE ARMIES OF OUR ALLIES, CANNOT WAIT.** Those who are fighting for us on the battle lines need food, clothing and ammunition, and our Government needs ships and vast quantities of supplies and materials, and above all, skilled and unskilled labor. These needs are vital and delay means disaster. We must not, therefore, compete with the Government for any of these things, or hinder it from getting whatever it needs.

We must get away from the idea that the war is going to end this summer, or even next summer. No one knows when it will end, and I am betraying no confidence when I tell you that Washington is preparing for several years of war. The thought that we as individuals, or as communities, will be spared making the large sacrifices which England and the other belligerent countries

are cheerfully making, and that peace with a return of normal activities is but a few months off, is to my mind the most insidious German propaganda that the country has been forced to deal with.

There can be no doubt that every patriotic citizen is willing to give his all to help this country in her hour of need, just as our brave boys are ready to give their lives for the same reason "over there," but we must come to the realization of how great and pressing are its needs at the present moment.

APPENDIX

CAPITAL ISSUES COMMITTEE
OF THE
FEDERAL RESERVE BOARD
WASHINGTON

**INSTRUCTIONS TO APPLICANTS WITH RESPECT TO
PROPOSED ISSUES OF BONDS, NOTES,
SHARES OF STOCK, ETC.**

February 21, 1918.

Applications should be addressed to the Capital Issues Committee, 718 Metropolitan Bank Building, Washington, D. C.

No prescribed form of application is required, but the applicant should provide all the information which is appropriate to the proposed issue, or which would facilitate the speedy decision of the Committee. For the guidance of applicants the following suggestions are made:—

The purpose of the issue should be fully and accurately described.

If the purpose is to refund, fund, or pay or extend outstanding bonds, obligations, or indebtedness, describe fully the nature and character of bonds, etc., to be refunded and state briefly the time or times and the general purposes for which unsecured indebtedness was incurred.

If the issue is to be made for war purposes or to raise capital in connection with war contracts or war supplies, or to provide equipment, buildings, or facilities of any kind for war work, full description thereof and amounts needed therefor should be stated.

If any war purposes are involved, reference should be made to the proper governmental authorities at Washington and elsewhere to enable definite information and corroboration to be obtained directly by the Committee.

If the issue is deemed necessary on account of any governmental requirement, National, State, or municipal, or of any commission or public authority, describe the same in full.

If the issue is deemed necessary for reasons of public health or welfare, or other public economic necessity, describe the same in full.

If the issue is made for private financial requirements and no public interests are involved, a very clear exposition of necessity will be desired.

In all cases full reasons should be given why the proposed issues can not be postponed until after the war, or why the necessity is greater than the paramount need of the National Government in conserving the financial resources, materials, and labor of the country for the war.

It will be necessary to identify the issues accurately before a final opinion is expressed. For that purpose the following information, when appropriate, should be furnished:—

**WITH REGARD TO PROPOSED ISSUES OF BONDS, NOTES, CERTIFICATES OF INDEBTEDNESS, AND OTHER SECURITIES
(STATE, COUNTY, MUNICIPAL, OR CORPORATE).**

1. Name, amount, date, and dates of maturity, and serial numbers of the proposed bonds, notes, or other securities.

2. Amount of total authorized issue of which proposed issue is part.

3. Attested copies of votes, ordinances, or resolutions authorizing proposed issue.

4. Attested copy of mortgage, deed of trust, or similar instrument under which proposed issue is made or by which it is to be secured.

5. Last balance sheet if a corporation and copy of charter and by-laws, if in print.

WITH REGARD TO PROPOSED ISSUES OF SHARES OF STOCK

1. Total capitalization of company.

2. Last balance sheet and copy of charter and by-laws, if in print.

3. Total authorized issue of stock of which proposed issue is part.

4. Amount of proposed issue, method and dates of issue, whether by offer to shareholders, sale, or public subscription.

5. Attested copies of votes authorizing proposed issue.