10–Q need not be filed by (1) any issuer not required to file annual reports on either Form 10–K (§ 249.310 of this chapter), Form 12–K (§ 249.312 of this Chapter) or Form U5S (§ 259.5s of this chapter); (2) companies in the promotional or development stage to which paragraph (b) or (c) of § 210.5a–01 of this chapter is applicable; and (3) life insurance companies.

(d) Public utilities and common carriers which submit financial reports to the Federal Power Commission, Federal Communications Commission, or Interstate Commerce Commission may file either the summarized financial information required by Part II of Form 10–Q or may, at their option, in lieu thereof, file duplicate copies of the reports submitted by them to such other Commissions for the preceding fiscal quarter year or for each month of such quarter year, as the case may be, together with a copy of the quarterly report for such period (if any) sent to their shareholders.

(e) Notwithstanding the foregoing paragraphs of this section, the summarized financial information required by Part II of Form 10–Q shall not be deemed to be "filed" for the purpose of section 18 of the Act or otherwise subject to the liabilities of that section, but shall be subject to all other provisions of the Act.

§ 240.15d–13 [Rescinded]

XII. Section 240.15d–13 of this chapter would be rescinded.

XIII. Section 240.15d–15 of this chapter would be amended to read as follows:

§ 240.15d–15 Reports of certain real estate companies on Form 7–Q (17 CFR 249.307a).

(a) Except as provided in paragraph (b) of this section, every issuer which is subject to section 15(d) of the Act and (1) which is a real estate investment trust, as defined in section 856 of the Internal Revenue Code, or (2) a substantial portion of whose business is that of acquiring and holding for investment real estate or interests in real estate or interests in other issuers a substantial portion of whose business is that of acquiring and holding real estate or interests in real estate for investment and which as a matter of policy or practice makes cash distributions from any source other than current or retained earnings, shall file reports on Form 7–Q within the time periods specified in General Instruction A to that form.

(b) No report need be filed pursuant to this section with respect to any foreign private issuer required to make reports on Form 6–K (§ 249.306 of this chapter) pursuant to § 240.15d–16, any investment company registered under the Investment Company Act of 1940, and the financial information required by Part II of Form 7–Q need not be filed by any partnership all of whose properties are under long term net lease to other persons.

All interested persons are invited to submit their views and comments on the proposed amendments, in writing, to the Securities and Exchange Commission, Washington, D.C. 20549, on or before October 30, 1969. All such communications will be considered to be available for public inspection.

By the Commission, September 4, 1969.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 69-10751; Filed, Sept. 9, 1969; 8:47 a.m.]

[17 CFR Part 249]

[Release No. 34–8681]

FORM 10 FOR REGISTRATION OF SECURITIES OF COMMERCIAL AND INDUSTRIAL COMPANIES

Notice of Proposed Rule Making

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposed revision of its Form 10 (17 CFR 249.210) under the Securities Exchange Act of 1934. That form is a general form for the registration of securities of commercial and industrial companies pursuant to section 12 of the Act. The proposed revision is a part of the program for the revision of the Commission's disclosure requirements recommended by the recent Disclosure Study Report.

To a large extent the revision consists of the amplification of the General Instructions and the instructions to the items of the form to indicate more precisely the information required to be given in the registration statement.

A new item has been added to the form calling for a summary of earnings for the past 5 years. This summary is similar to those required in registration statements under the Securities Act of 1933. Such a summary supplements the description of business and particularly the information with respect to different lines of business required by the recent amendment of the form.

The items relating to management, remuneration and transactions with insiders would be revised to bring them into accord with the corresponding requirements of the Commission's proxy rules (17 CFR 240.14a–1 to 240.14c–101 inclusive). Thus the revised form would include requirements for the disclosure of indebtedness of insiders to the registrant or its subsidiaries and transactions between insiders and pension, retirement, savings or similar plans provided by the registrant or its parents or subsidiaries.

The instructions as to financial statements would be revised to require a statement of source and application of funds for each of the 3 fiscal years for which a profit and loss statement is required.

The instructions as to exhibits would be revised to provide that certain employee benefit plans meeting the requirements of section 401 or sections 422–424 of the Internal Revenue Code need not be filed as exhibits.

Copies of the proposed revision of Form 10 have been filed as part of this document with the Office of the Federal Register and may be obtained from the Securities and Exchange Commission, Washington, D.C. 20549.

All interested persons are invited to submit their views and comments on the proposed revision, in writing, to the Securities and Exchange Commission, Washington, D.C. 20549, on or before October 30, 1969. All such communications will be considered available for public inspection.

This action is taken pursuant to the authority contained in sections 12, 13, 15(d), and 23(a) of the Securities Exchange Act of 1934; 48 Stat. 892, 894, 895, and 901, as amended; 15 U.S.C. 78l, 78m, 78o(d), and 78w(a).

By the Commission, September 4, 1969.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 69-10752; Filed, Sept. 9, 1969; 8:47 a.m.]

[17 CFR Part 249]

[Release No. 34–8682]

FORM 10–K FOR ANNUAL REPORTS BY CERTAIN COMPANIES HAVING REGISTERED SECURITIES

Notice of Proposed Rule Making

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposed revision of its Form 10–K (17 CFR 249.310) under the Securities Exchange Act of 1934. That form is a general form for annual reports by companies having securities registered pursuant to section 12 of the Act and companies having securities registered under the Securities Act of 1933 which are required to file reports pursuant to section 15(d) of the Securities Exchange Act. The proposed revision is a part of the program for the revision of the Commission's disclosure requirements recommended by the recent Disclosure Study Report.

It is proposed to divide the form into two parts. Companies which file reports pursuant to section 13 of the Act are subject to the Commission's proxy and information rules under section 14 of the Act would file only Part I of the form, together with the required financial statements and exhibits. Companies which file reports pursuant to section 15(d) of the Act would file both Part I and Part II, together with the required financial statements and exhibits.

The proposed revision consists largely of the amplification of the General Instructions and the instructions to the items of the form to indicate more precisely the information required to be given in annual reports. After the filing of the first report on the revised Form 10–K, subsequent reports will consist largely of an updating of the information previously filed.

Item 2 of the existing Form 10–K which calls for information regarding all increases and decreases during the fiscal year of equity securities of the registrant would be omitted from the revised form. It is proposed to require the reporting of such increases and decreases in the proposed new Form 10-Q (17 CFR 249.308a) reports.

A new item would be added to the form calling for a summary of earnings for the past 5 years. This summary would be similar to the one proposed to be included in the revised Form 10 (17 CFR 249.210).

The items relating to management, remuneration and transactions with insiders contained in Part II of the form, would be revised to bring them into accord with the corresponding requirements of the Commission's proxy rules. Thus the revised form would include requirements for the disclosure of indebtedness of insiders to the registrant and its subsidiaries and transactions between insiders and pension, retirement, savings and similar plans provided by the registrant or its parents or subsidiaries.

The instructions as to financial statements would be revised to require comparative financial statements, including source and application of funds statements, for the last 2 fiscal years. Comparative statements for the last 2 years are now required to be included in annual reports to stockholders by Rule 14a-3 (17 CFR 240.14a-3) and (17 CFR 240.14c-3) of the proxy and information rules under section 14 of the Act.

Copies of proposed Form 10-K have been filed as part of this document with the Office of the Federal Register and may be obtained from the Securities and Exchange Commission, Washington, D.C. 20549.

All interested persons are invited to submit their views and comments on the proposed revision, in writing, to the Securities and Exchange Commission, Washington, D.C. 20549, on or before October 30, 1969. All such communications will be considered available for public inspection.

This action is taken pursuant to the authority contained in sections 12, 13, 15(d), and 23(a) of the Securities Exchange Act of 1934; 48 Stat. 892, 894, 895, and 901, as amended; 15 U.S.C. 78*l*, 78m, 78*o*(d), and 78w(a).

By the Commission, September 4, 1969.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 69-10753; Filed, Sept. 9, 1969; 8:47 a.m.]

[17 CFR Part 249]

[Release No. 34-8683]

FORM 10-Q FOR DISCLOSURE OF FINANCIAL INFORMATION

Notice of Proposed Rule Making

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposal to adopt Form 10-Q (17 CFR 249.308a) under the Securities Exchange Act of 1934 ("Act") to replace Forms 8-K (17 CFR 249.308) and 9-K (17 CFR 249.309) under the Act which would be rescinded.

This proposal is part of a program to improve disclosure made under the Act which includes revision of Forms 10 (17 CFR 249.210), the form for registration under section 12 of the Act, and 10-K (17 CFR 249.310), the form for annual reports under the Act in general use. (See Securities Exchange Act Releases Nos. 8681-8682, *supra*.) The proposal was generated by a report to the Commission by a Special Disclosure Policy Study Group drawn from its staff, entitled "Disclosure to Investors—A Reappraisal of Administrative Policies under the '33 and '34 Acts."

It appears to the Commission that Current Reports on Form 8-K are not widely used by investors and their advisors. This may be because these reports are not filed at regular intervals and they are not truly current reports since they need not be filed until 10 days after the end of a month in which a reportable event occured. The Commission considered requiring prompt reporting of an event within a few days of its occurrence. However, this appears difficult to administer and unduly burdensome and duplicative of the timely disclosure policies of the major stock exchanges and otherwise pursued by many companies. As an alternative, the Commission is proposing to adopt a regular quarterly report which will provide detailed information as a back-up to information released pursuant to timely disclosure policies. This report would include quarterly financial information.

Many publicly held companies are releasing condensed quarterly financial information, and the major stock exchange require publication of such information by listed companies. The proposals here go beyond the standards set by the exchanges in some respects. The Commission is proposing to adopt a proposed quarterly financial report to provide uniform standards which would apply to all registrants filing reports under the Act including companies having securities registered under section 12(g) of the Act.

The proposed Form 10-Q would be filed quarterly by registrants required to file reports under section 13 or 15(d) of the Act with exceptions set forth in proposed Rules 13a-11 (17 CFR 240.13a-11) and 15(d)-11 (17 CFR 240.15d-11). (See Securities Exchange Act Release No. 8680, *supra*.) The Form is proposed in four parts. Part I contains the substance of the disclosure items, in present Form 8-K with some revisions noted below. Part II would be required to be filed only for the first three quarters of a registrant's fiscal year, although the Commission is considering whether it should also be required for the fourth quarter. Part II contains summarized financial information in somewhat more detail than the present Semi-Annual Report on Form 9-K. The information need not be certified, and Part II would not be deemed filed for purposes of the liability provisions of section 18 of the Act. Part III is to be filed only in the event of a reportable acquisition and requires the filing of specified financial statements of the acquired business. Part IV is simply the exhibits required to be filed in response to Part I. A detailed analysis of the proposed form has been provided to assist interested persons in considering the proposal.

ANALYSIS OF FORM 10Q

The following analysis is of necessity somewhat simplified, and reference is made to the proposed form itself for a more complete indication of its requirements.

Rules as to use of Form 10-Q. The form would be used for reports pursuant to proposed Rule 13a-11 or 15d-11 under the Act. Parts I, III (financial statements of acquired businesses) and IV (exhibits) of the form would be used by all registrants presently required to file current reports on Form 8-K. Registrants presently exempt from filing reports on that form would be exempt from filing reports on Form 10-Q, viz., foreign governments, foreign private issuers, issuers of American depositary receipts, and investment companies presently required to file quarterly reports pursuant to Rule 13a-12 or 15d-12 under the Act (17 CFR 240.13a-12, 240.15d-12). "Cash-flow real estate companies" now required to file quarterly reports on Form 7-K and current reports on Form 8-K would not be required to file reports on Form 10-Q. Form 7-K would also be rescinded and those companies would file reports on proposed Form 7-Q. (See Securities Exchange Act Release No. 8684, *infra*.)

Certain categories of registrants would not be required to file Part II of Form 10-Q (summarized financial information), viz., all registrants not required to file Annual Reports on Form 10-K, 12-K or U5-S (17 CFR 249.310, 249.312, 259.5s); certain registrants in promotional or developmental stages; and life insurance companies. Certain categories of registrants now exempt from filing Semi-Annual financial Reports on Form 9-K (17 CFR 249.309) would not be exempt from filing Part II or proposed Form 10-Q. For example, the Commission believes the trading markets should have the benefit of quarterly financial information concerning bank holding companies and those banks required to file Annual Reports on Form 10-K. Registrants having material seasonal cycles or material variation in operating results, such as producers of single crop agricultural commodities would not be exempt, but would be permitted to file information for the 12 months ended with the current quarter. Certain registrants which file reports with other federal agencies would be permitted to file quarterly reports filed with those agencies for Part II of Form 10-Q. In addition, the Commission believes that accounting procedures for insurance companies, other than life insurance companies, have developed to the extent that such companies should file quarterly financial information.

Filing date. The proposed Form 10–Q for the first three quarters of a registrant's fiscal year would be filed not later than 45 days after the end of each quarter. Form 8–K is presently required to be filed not later than 10 days after the end of a month in which a reportable event occurs. Form 9–K is now required to be filed not later than 45 days after the end of the first 6 months of a registrant's fiscal year.

The report for the fourth quarter would not contain summarized financial information (because certified financial statements for the entire fiscal year would be included in the Annual Report on Form 10–K) and would be required to be filed not later than 10 days after the end of the fourth quarter. However, as indicated above, the Commission is considering the advisability of requiring summarized financial information for the fourth quarter as well as for the first three quarters.

There is a significant exception to the foregoing. When a significant acquisition or disposition of assets occurs, the information specified in Item 3 of the proposed form should be filed not later than 10 days after the acquisition of dispositions occurs.

Check list of material events to be reported. For convenience of persons not familiar with filing Form 10–Q, a check list of significant events which should be reported is included in the instructions.

Item 1. Changes in Control of Registrant: This item expands the present Item 1 of Form 8–K to require disclosure of contracts or arrangements which might at a subsequent date result in a change in control of the registrant.

Item 2. Changes in Management of Registrant:

This item is not in Form 8–K. It requires disclosure of the identities of new directors and executive officers of the registrant if not previously reported. It also requires a brief account of the new director's or executive officer's business experience during the preceding 10 years. For an executive officer this information should indicate whether he was convicted of a crime or is a defendant in a criminal proceeding, was an officer of a company subject to bankruptcy or similar proceedings, or is subject to a court order enjoining him from engaging in certain activities. Certain of the information relating to executive officers may be omitted on the grounds that it is not material, if it is furnished as supplemental information together with an explanation of the omission.

The Commission believes that such information as to the backgrounds of executive officers is important to investors.

Item 3. Acquisition and Disposition of Assets:

This item requires substantially the same information as required by Item 2 of present Form 8–K with several exceptions. Acquisition or disposition of assets by 50-percent-owned persons would be required to be reported, since such transactions may have a material effect on the business of the registrant. The material relationship between a person from whom assets were acquired or to whom they were sold and any person owning beneficially more than 10 percent of the outstanding voting securities of the registrant, as well as those persons enumerated in Form 8–K, is required to be disclosed. Finally the standard for measuring the materiality of the transaction in the proposed Form 10–Q is 10 percent of certain accounts of the registrant rather than 15 percent as it is in Form 8–K.

As previously discussed, reports pursuant to Item 3 are required not later than 10 days after the occurrence of the event. The Commission believes that information as to significant acquisitions or dispositons of assets is of such material importance to an understanding of the business of a registrant as to require it to be reported reasonably promptly.

Item 4. Increases in amount of equity securities outstanding.

Item 5. Decreases in amount of equity securities outstanding.

Item 6. Increases in amount of outstanding debt securities of registrant, its majority-owned subsidiaries and 50-percent-owned persons.

Item 7. Decreases in amount of outstanding debt securities of registrant, its majority-owned subsidiaries and 50-percent-owned persons.

These four items are substantially the same as Items 7 and 8 of present Form 8–K with some significant exceptions. For convenience separate items are proposed for debt and equity securities.

The most significant change from Form 8–K is that all increases and decreases in equity securities must be reported. Form 8–K now requires a report only when the increase not previously reported exceeds 5 percent of the outstanding securities of a class. The Commission believes that information concerning all increases in equity securities is necessary on a quarterly basis, particularly for understanding the registrant's financial statements. It should not be burdensome for registrants to report this information on a regular quarterly basis. Moreover, the proposed revision of Form 10–K (Securities Exchange Act Release No. 8682) would eliminate Item 2 of Form 10–K which presently requires reporting all increases and decreases in equity securities annually.

The more significant change relating to increases or decreases in outstanding debt securities is the requirement that such changes also be reported for majority-owned subsidiaries and 50-percent-owned persons. This information is necessary for an understanding of the debt structure of the total enterprise.

Item 8. Legal Proceeding:

This item requires substantially the same disclosure as Item 3 of present Form 8–K, except it has been revised to require disclosure of certain administrative proceedings before government agencies.

Item 9. Changes in registered securities: This item requires disclosure of changes in registered securities affecting the rights of holders of such securities. It is substantially identical with Item 4 of Form 8–K.

Item 10. Changes in security for registered securities.

Item 11. Defaults upon senior securities.

Item 12. Revaluation of assets or restatement of capital share account.

Item 13. Options to purchase securities.

Item 14. Submission of matters to a vote of security holders.

Item 15. Material amendments to registrant's charter or bylaws.

This item is new. It requires a statement as to the general effect of material changes in a registrant's charter or bylaws not reported in response to any other item of the Form.

Item 16. Other materially important events.

Item 17. Financial statements and exhibits.

These items are substantially unchanged from Items 5, 6, 10, 9, 11, 12, and 13, respectively, of Form 8–K.

Part III Financial statements of businesses acquired.

Part IV Exhibits:

Parts III and IV of Form 10–Q are substantially the same as the corresponding parts of Form 8–K.

Part II Summarized financial information:

The requirements of Part II are substantially those recommended to the Commission by the Special Disclosure Policy Study Group. That group had the assistance of a special subcommittee of the Governmental Relations Committee of the American Institute of Certified Public Accountants in preparing the requirements for summarized financial information in Form 10–Q.

General Instruction E refers to Rule 12b-23 which would provide, in effect, that if the registrant sends a quarterly report to its security holders which meets the requirements of Part II of the proposed form the report sent to security holders may be incorporated by reference. It should be noted that a copy of any material incorporated by reference in response to any item or part of the proposed form must be filed with the report.

The information required by Part II need not be certified, but should be prepared in accordance with generally accepted accounting principles on a consistent basis. The summarized financial information required by the report requires profit and loss information in more detail that is now required by Form 9–K, including data on earnings per common share and common stock equivalents of the registrant's stock. In addition certain information is required relating to the registrant's capitalization and stockholders' equity.

Copies of proposed Form 10–Q have been filed as part of this document with the Office of the Federal Register and may be obtained from the Securities and Exchange Commission, Washington, D.C. 20549.

All interested persons are invited to submit their views and comments on the proposed form, in writing, to the Securities and Exchange Commission, Washington, D.C. 20549, on or before October 30, 1969. All such communications will be considered available for public inspection.

This action is taken pursuant to the authority contained in sections 12, 13, 15(d), and 23(a) of the Securities Exchange Act of 1934; 48 Stat. 892, 894, 895, and 901, as amended; 15 U.S.C. 78*l*, 78m, 78o(d), and 78w(a).

By the Commission, September 4, 1969.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 69-10754; Filed, Sept. 9, 1969; 8:47 a.m.]

[17 CFR Part 249]

[Release No. 34-8684]

FORM 7–Q FOR CASH FLOW REAL ESTATE COMPANIES

Notice of Proposed Rule Making

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposal to adopt Form 7–Q (17 CFR 249.307a) under the Securities Exchange Act of 1934 ("Act") to replace Forms 7–K (17 CFR 249.307) and 8–K (17 CFR 249.308) under the Act which would be rescinded. The proposed