such assignment is to be made first to transferor plants at which no location adjustment credit is applicable and then in sequence beginning with the plant at which the least location adjustment would apply.

§ 1106.81 [Amended]

2. In § 1106.81, replace the three references therein to "§ 1106.53(a)" with "§ 1106.53."

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Effective date: December 1, 1972.

Signed at Washington, D.C., on October 27, 1972.

RICHARD E. LYNG,
Assistant Secretary.

[FR Doc.72-18599 Filed 10-30-72;8:54 am]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Airspace Docket No. 72-SO-102]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zone and Transition Areas

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Raleigh, N.C., control zone and the Greensboro and Kinston, N.C., transition areas.

The Raleigh control zone is described in § 71.171 (37 F.R. 2056) and the Greensboro and Kinston transition areas are described in § 71.181 (37 F.R. 2143).

U.S. Standards for Terminal Instrument Procedures (TERP's), issued after extensive consideration and discussion with Government agencies concerned and affected industry groups, are now being applied to update the criteria for instrument approach procedures. The criteria for the designation of controlled airspace protection for these procedures were revised to conform to TERP's and achieve increased and efficient utilization of airspace.

Because of this revised criteria, it is necessary to alter the Raleigh control zone and the Greensboro and Kinston transition areas to reflect the required extension designations.

In consideration of the foregoing, notice and public procedure hereon are unnecessary and Part 71 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 71.171 (37 F.R. 2056), the Raleigh, N.C., control zone is amended as follows:

All after "78°47'02" W.);" is deleted and "within 3.5 miles each side of Raleigh VORTAC 034° and 231° radials, extending from the 5-mile radius zone to 10.5 miles northeast and southwest of the VORTAC." is substituted therefor.

In § 71.181 (37 F.R. 2143), the Greensboro and Kinston, N.C., transition areas are amended as follows:

GREENSBORO, N.C.

All between "79°56'34" W.);" and "within 9.5 miles southwest" is deleted and "within 5 miles each side of Greensboro VORTAC 035° radial, extending from the 8.5-mile radius area to 17.5 miles northeast of the VORTAC; within 4 miles each side of Greensboro VORTAC 207° radial, extending from the 8.5-mile radius area to 8.5 miles southwest of the VORTAC." is substituted therefor.

KINSTON, N.C.

All after "77°36'55" W.);" is deleted and "within 4.5 miles each side of the Kinston VORTAC 048° radial, extending from the 8.5-mile radius area to 10.5 miles northeast of the VORTAC." is substituted therefor.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348(a), sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in East Point, Ga., on October 17, 1972.

PHILLIP M. SWATEK,
Director, Southern Region.

[FR Doc.72-18500 Filed 10-30-72;8:51 am]

[Airspace Docket No. 72-SO-103]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zones and Transition Areas

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Charleston and Florence, S.C., control zones and the Charleston, Florence, and Spartanburg, S.C., transition areas.

The Charleston and Florence control zones are described in § 71.171 (37 F.R. 2056). The Charleston transition area is described in § 71.181 (37 F.R. 2143 and 7689) and the Florence and Spartanburg transition areas are described in § 71.181 (37 F.R. 2143).

U.S. Standards for Terminal Instrument Procedures (TERP's), issued after extensive consideration and discussion with Government agencies concerned and affected industry groups, are now being applied to update the criteria for instrument approach procedures. The criteria for the designation of controlled airspace protection for these procedures were revised to conform to TERP's and achieve increased and efficient utilization of airspace.

Because of this revised criteria, it is necessary to alter the Charleston and Florence control zones and the Charleston, Florence, and Spartanburg transition areas to reflect the required extension designations.

In consideration of the foregoing, notice and public procedure hereon are unnecessary and Part 71 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 71.171 (37 F.R. 2056), the Charleston, S.C., control zone is amended to read:

CHARLESTON, S.C.

Within a 5-mile radius of Charleston AFB/Municipal Airport (lat. 32°53'55" N., long. 80°02'20" W.); within 3.5 miles each side of Charleston VORTAC 018° and 332° radials, extending from the 5-mile radius zone to 10 miles north and northwest of the VORTAC; within 2.5 miles each side of Charleston VORTAC 135° radial, extending from the 5-mile radius zone to 5.5 miles southeast of the VORTAC; within 3.5 miles each side of Charleston VORTAC 211° radial, extending from the 5-mile radius zone to 10.5 miles southwest of the VORTAC.

In § 71.171 (37 F.R. 2056), the Florence, S.C., control zone is amended as follows:

All after "79°43'28" W.);" is deleted and "within 3.5 miles each side of Florence VORTAC 049° and 229° radials, extending from the 5-mile radius zone to 8 miles northeast of the VORTAC." is substituted therefor.

In § 71.181 (37 F.R. 2143), the Charleston, S.C., transition area (37 F.R. 7689) and the Florence and Spartanburg, S.C., transition areas are amended as follows:

CHARLESTON, S.C.

All between "80°02'20" W.);" and "within a 6.5-mile radius of Johns Island Airport" is deleted and "within 3.5 miles each side of Charleston VORTAC 018°, 211°, and 332° radials, extending from the 9-mile radius area to 11.5 miles north, southwest and northwest of the VORTAC; within 3.5 miles each side of Charleston VORTAC 135° radial, extending from the 9-mile radius area to 10.5 miles southeast of the VORTAC;" is substituted therefor.

FLORENCE, S.C.

* * * 79°43'28" W.); * * *" is deleted and "* * * 79°43'28" W.); within 4 miles each side of Florence VORTAC 049° radial, extending from the 8.5-mile radius area to 9 miles northeast of the VORTAC." is substituted therefor.

SPARTANBURG, S.C.

* * * within 3 miles each side of Spartanburg VORTAC 016° and 196° radials, extending from 8.5 miles north of the VORTAC to 22 miles south of the VORTAC; * * *" is deleted and "* * * 3.5 miles each side of Spartanburg VORTAC 016° radial, extending from the 6.5-mile radius area to 9 miles north of the VORTAC; within 3.5 miles each side of Spartanburg VORTAC 191° radial, extending from the 6.5-mile radius area to 16.5 miles south of the VORTAC; * * *" is substituted therefor.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348(a), of sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in East Point, Ga., on October 17, 1972.

PHILLIP M. SWATEK,
Director, Southern Region.

[FR Doc.72-18501 Filed 10-30-72;8:52 am]

[Airspace Docket No. 72-SO-104]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zone

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Nashville, Tenn., control zone.

The Nashville control zone is described in § 71.171 (37 F.R. 2056).

U.S. Standards for Terminal Instrument Procedures (TERP's), issued after extensive consideration and discussion with government agencies concerned and affected industry groups, are now being applied to update the criteria for instrument approach procedures. The criteria for the designation of controlled airspace protection for these procedures were revised to conform to TERP's and achieve increased and efficient utilization of airspace.

Because of this revised criteria, it is necessary to alter the Nashville control zone to reflect the required extension designations.

In consideration of the foregoing, notice and procedure hereon are unnecessary and Part 71 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 71.171 (37 F.R. 2056), the Nashville, Tenn., control zone is amended as follows:

* * * within 3 miles each side of Nashville VORTAC 109° radial, extending from the 5-mile radius zone to 8.5 miles east of the VORTAC * * * is deleted and * * * within 3.5 miles each side of Nashville VORTAC 109° radial, extending from the 5-mile radius zone to 10 miles east of the VORTAC * * * is substituted therefor.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348(a), sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in East Point, Ga., on October 17, 1972.

PHILLIP M. SWATEK,
Director, Southern Region.

[FR Doc.72-18502 Filed 10-30-72;8:52 am]

[Airspace Docket No. 72-CE-17]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Transition Area

On pages 14318 and 14319 of the FEDERAL REGISTER dated July 19, 1972, the Federal Aviation Administration published a notice of proposed rule making which would amend § 71.181 of Part 71 of the Federal Aviation Regulations so as to alter the transition area at Marshalltown, Iowa.

Interested persons were given 45 days to submit written comments, suggestions, or objections regarding the proposed amendment.

No objections have been received and the proposed amendment is hereby adopted without change and is set forth below.

This amendment shall be effective 0901 G.m.t., January 4, 1973.

(Sec. 307(a), Federal Aviation Act of 1958, 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Kansas City, Mo., on October 5, 1973.

JOHN M. CYROCKI,
Director, Central Region.

In § 71.181 (37 F.R. 2143), the following transition area is amended to read:

MARSHALLTOWN, IOWA

That airspace extending upward from 700 feet above the surface within a 6-mile radius of Marshalltown Municipal Airport (latitude 42°06'45" N., longitude 92°54'50" W.); and within 2 miles each side of the 321° bearing from Marshalltown Municipal Airport, extending from the 6-mile-radius area to 8 miles northwest of the airport and within 3.5 miles each side of the 135° radial of the Marshalltown VOR, extending from the 6-mile radius to 11.5 miles southeast of the airport, and that airspace extending upward from 1,200 feet above the surface within 5 miles northeast and 8 miles southwest of the 321° bearing from Marshalltown Municipal Airport, extending from the airport to 12 miles northwest of the airport, excluding the airspace within the Waterloo, Iowa transition area.

In § 71.181 (37 F.R. 2143), the Muskogee, Okla., transition area is amended to read:

MUSKOGEE, OKLA.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Davis Field, Muskogee, Okla. (latitude 35°39'25" N., longitude 95°21'40" W.), and within 10 miles southwest and 5 miles northeast of the Muskogee VOR 137° T. (130° M.) radial extending from the VOR to 20 miles southeast.

[FR Doc.72-18499 Filed 10-30-72;8:51 am]

Title 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

[Release Nos. 34-9784, 35-17701, IC-7375]

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

Solicitations of Proxies

The Securities and Exchange Commission has adopted certain amendments to Rules 14a-5 (17 CFR 240.14a-5) and 14a-8 (17 CFR 240.14a-8) of the Commission's proxy rules pursuant to sections 14(a) and 23(a) of the Securities Exchange Act of 1934. These rules are also applicable to the solicitation of proxies under the Public Utility Holding Company Act of 1935 and the Investment Company Act of 1940 by virtue of the authority provided in sections 12(e) and 20(a) of the 1935 Act and sections 20(a) and 38(a) of the 1940 Act. Notice of the proposed amendments was published December 22, 1971, in Securities Exchange Act Release No. 9432 (36 F.R. 25432). A number of helpful comments were received and were given careful consideration in connection with the preparation of the final revisions. A brief description of the changes is set forth below.

Paragraph (b) of Rule 14a-8 has provided that if the management opposes a security holder's proposal, it shall, if requested by the security holder, include in its proxy statement a statement of the security holder not exceeding 100 words in support of the proposal. This provision has been amended to increase the 100-word limit to 200 words so that a security holder may more fully present the reasons for submitting his proposal to security holders. In connection with the increase in the word limitation supporting statements, the Commission has further amended paragraph (b) to provide that any statements in the text of a proposal, such as a preamble or "whereas" clause, which are in effect arguments in support of the proposal, shall be considered part of the supporting statement and subject to the 200-word limitation thereon. Although this amendment was previously noticed for adoption in the form of a note to paragraph (b), the Commission determined to incorporate it into the text of the paragraph itself since it pertains directly to the requirement contained therein that a security holder's supporting statement be limited to 200 words. The purpose of the change is to curtail the growing tendency of security holders to evade the word limitation on supporting statements by submitting lengthy proposals which contain supporting argumentation within the text of the proposals themselves.

In Securities Exchange Act Release No. 9432 the Commission pointed out that it regards as an abuse of Rule 14a-8 the practice whereby a security holder submits a number of identical proposals to a number of companies and thereafter fails to appear at the meetings of the companies involved to present the proposals for action. When a security holder submits proposals and then, without good cause, does not appear at the meetings of the respective companies, all security holders have been put to considerable expense to no purpose. Accordingly, the Commission reiterates that in submitting a proposal, a security holder must in good faith make the statement required by Rule 14a-8(a) that he intends to present his proposal for action at the meeting.

Paragraph (c)(2) of the rule has been revised to replace the subjective terms of the provision with objective standards to the extent feasible and thereby create greater certainty in the application of the rule. The paragraph as amended provides for the omission of proposals which either are not significantly related to the business of the issuer or not within its control. Proposals not within an issuer's control are those which are beyond its power to effectuate, and henceforth they may be omitted under this provision. The revised paragraph will apply to all proposals and will not be limited to those which involve general economic, political, racial, religious, social, or similar causes. Also, the provision is not intended to serve as a basis for the omission of traditional shareholder proposals dealing with stockholder relationships with the management, such as cumulative voting, annual meetings, and ratification of auditors, since all these matters can be considered significantly related to the issuer's business or within its control.

Paragraph (c)(2) has been further amended to permit the omission of all proposals which relate to the enforcement of a personal claim or the redress of a personal grievance against any person. Formerly, the rule allowed the omission of such proposals only when the personal claim or grievance was against the issuer or its management. The Commission, however, believes that any proposal which relates to such matters is inappropriate for shareholder consideration.

The Commission has amended paragraph (d) of the rule to provide that whenever the management asserts that any security holder's proposal may properly be omitted from its proxy statement and form of proxy, it shall furnish the materials specified in that paragraph to the Commission 30 days prior to the filing of the management's preliminary proxy material. Formerly, the rule required that the materials be filed 20 days in advance of the preliminary proxy material, but experience has shown that this did not allow sufficient time for the Commission's staff to give due consideration to what action, if any, might be appropriate with respect to a management's refusal to include a proposal in its proxy materials. The Commission believes that the revision will also be beneficial to both managements and shareholders. Heretofore, managements have occasionally had to disrupt the printing schedules for their proxy material in those instances in which the staff was unable to expedite its letter on the matter due to its workload. Shareholders who submit proposals will also benefit from the revision because they will have more time, if they so elect, to enforce their rights in court in the event managements decide to omit their proposals.

In connection with the foregoing, the Commission also has determined to amend paragraph (a) of the rule so that a proposal by a security holder must now be received by the management at the issuer's principal executive office not less than 70 days (rather than 60 days, as formerly required), prior to a date corresponding to the date set forth on the management's proxy statement for the previous year's annual meeting. The comments indicated that since the time period for filing materials under paragraph (d) was being advanced by 10 days, a corresponding change was needed in paragraph (a) in order to provide a management with an amount of time comparable to the former rule for reviewing and evaluating a proposal and, if necessary, to prepare the documents required to be filed with the Commission under Rule 14a–8(d). In view of the fact that this change is technical in nature, the Commission finds that notice and procedure pursuant to the Administrative Procedure Act with respect to it is not necessary in the public interest or for the protection of investors.

The Commission also has added a note to paragraph (a) suggesting that security holders submit their proposals by certified mail—return receipt requested. It is believed that the submission of proposals in such a manner will curtail controversies with respect to the date that a security holder's proposal was received by the management.

Rule 14a–5 has been amended to require that the first page of the proxy statement be dated and include the address of the principal executive offices of the issuer. This amendment will furnish a definite date which the security holder may use in computing the date prior to which his proposal must be received by the management and will give the address where the proposal must be received.

The foregoing amendments shall apply to all proxy solicitations commenced on or after January 1, 1973.

Commission action. Pursuant to authority set forth in sections 14(a) and 23(a) of the Securities Exchange Act of 1934, as amended, sections 12(e) and 20(a) of the Public Utility Holding Company Act of 1935, and sections 20(a) and 38(a) of the Investment Company Act of 1940, the Securities and Exchange Commission hereby adds new paragraph (e) to § 240.14a–5 and amends § 240.14a–8, in Chapter II of Title 17 of the Code of Federal Regulations to read as set forth below:

§ 240.14a–5 Presentation of information in proxy statement.

* * * * *

(e) All proxy statements shall disclose on the first page thereof the complete mailing address, including ZIP code, of the principal executive offices of the issuer and the approximate date on which the proxy statement and form of proxy are first sent or given to security holders.

§ 240.14a–8 Proposals of security holders.

(a) If any security holder entitled to vote at a meeting of security holders of the issuer shall submit to the management of the issuer, within the time hereinafter specified, a proposal which is accompanied by notice of his intention to present the proposal for action at the meeting, the management shall set forth the proposal in its proxy statement and shall identify it in its form of proxy and provide means by which security holders can make the specification provided for by § 240.14a–4(b). The management of the issuer shall not be required by this section to include the proposal in its proxy statement or form of proxy for an annual meeting unless the proposal is received by the management at the issuer's principal executive offices not less than 70 days in advance of a date corresponding to the date set forth on the management's proxy statement released to security holders in connection with the last annual meeting of security holders, except that if the date of the annual meeting has been changed as a result of a change in the fiscal year, a proposal shall be received by the management a reasonable time before the solicitation is made. A proposal to be presented at any other meeting shall be received by the management of the issuer a reasonable time before the solicitation is made. This section does not apply, however, to elections to office or to counter proposals to matters to be submitted by the management.

NOTE. In order to curtail controversy as to the date that a security holder's proposal was received by the management, it is suggested that security holders submit their proposals by certified mail—return receipt requested.

(b) If the management opposes any proposal received from a security holder, it shall also, at the request of the security holder, include in its proxy statement a statement of the security holder, in not more than 200 words, in support of the proposal, which statement shall not include the name and address of the security holder. Any statements in the text of a proposal, such as a preamble or "whereas" clauses, which are in effect arguments in support of the proposal, shall be deemed part of the supporting statement and subject to the 200-word limitation thereon. The proxy statement shall also include either the name and address of the security holder or a statement that such information will be furnished by the issuer or by the Commission to any person, orally or in writing as requested, promptly upon the receipt of any oral or written request therefor. If the name and address of the security holder is omitted from the proxy statement, it shall be furnished to the Commission at the time of filing the management's preliminary proxy material pursuant to § 240.14a–6(a). The statement and request of the security holder shall be furnished to the management at the time that the proposal is furnished. Neither the management nor the issuer shall be responsible for such statement.

(c) Notwithstanding the foregoing, the management may omit a proposal and any statement in support thereof from its proxy statement and form of proxy under any of the following circumstances:

(1) If the proposal as submitted is, under the laws of the issuer's domicile, not a proper subject for action by security holders; or

(2) If the proposal:

(i) Relates to the enforcement of a personal claim or the redress of a personal grievance against the issuer, its management, or any other person; or

(ii) Consists of a recommendation, request, or mandate that action be taken with respect to any matter, including a general economic, political, racial, religious, social, or similar cause, that is not significantly related to the business of the issuer or is not within the control of the issuer; or

(3) If the management has at the security holder's request included a pro-

posal in its proxy statement and form of proxy relating to either of the last two annual meetings of security holders or any special meeting held subsequent to the earlier of such two annual meetings and such security holder has failed without good cause to present the proposal, in person or by proxy, for action at the meeting; or

(4) If substantially the same proposal has previously been submitted to security holders in the management's proxy statement and form of proxy relating to any annual or special meeting of security holders held within the preceding 5 calendar years, it may be omitted from the management's proxy material relating to any meeting of security holders held within the 3 calendar years after the latest such previous submission: *Provided*, That—

(i) If the proposal was submitted at only one meeting during such preceding period, it received less than 3 percent of the total number of votes cast in in regard thereto; or

(ii) If the proposal was submitted at only two meetings during such preceding period, it received at the time of its second submission less than 6 percent of the total number of votes cast in regard thereto; or

(iii) If the proposal was submitted at three or more meetings during such preceding period, it received at the time of its latest submission less than 10 percent of the total number of votes cast in regard thereto; or

(5) If the proposal consists of a recommendation or request that the management take action with respect to a matter relating to the conduct of the ordinary business operations of the issuer.

NOTE. Proposals not within issuer's control are those which are beyond its power to effectuate.

(d) Whenever the management asserts that a proposal and any statement in support thereof received from a security holder may properly be omitted from its proxy statement and form of proxy, it shall file with the Commission, not later than 30 days prior to the date the preliminary copies of the proxy statement and form of proxy are filed pursuant to § 240.14a-6(a) or such shorter period prior to such date as the Commission may permit, a copy of the proposal and any statement in support thereof as received from the security holder, together with a statement of the reasons why the management deems such omission to be proper in the particular case, and where such reasons are based on matters of law, a supporting opinion of counsel. The management shall at the same time, if it has not already done so, notify the security holder submitting the proposal of its intention to omit the proposal from its proxy statement and form of proxy and shall forward to him a copy of the statement of reasons why the management deems the omission of the proposal to be proper and a copy of such supporting opinion of counsel.

(Secs. 14(a), 23(a), 48 Stat. 895, 901, sec. 5, 78 Stat. 569, 570, secs. 203(a), 8, 49 Stat. 704, 1379, 15 U.S.C. 78n(a), 78w(a); secs. 12(e), 29(a), 49 Stat. 823, 833, 15 U.S.C. 79*l*(e), 79t (a); secs. 20(a), 38(a), 54 Stat. 822, 841, 15 U.S.C. 80a-20(a), 80a-37(a))

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary*.

SEPTEMBER 22, 1972.

[FR Doc.72-18467 Filed 10-30-72;8:46 am]

[Release No. 33-5306]

PART 231—INTERPRETATIVE RELEASES RELATING TO THE SECURITIES ACT OF 1933 AND GENERAL RULES AND REGULATIONS THEREUNDER

Corporation Finance Division; Interpretations of Rules

Since Rule 144 (17 CFR 230.144), which defines the term distribution for purposes of determining who is an underwriter under sections 4(1) and 2(11) of the Securities Act of 1933 (Act), was adopted on January 11, 1972 (37 F.R. 591), the Commission's Division of Corporation Finance has received a number of requests for interpretations of various provisions of the rule. Therefore, the Commission is releasing today certain of the Division's interpretations of the rule in the interest of assisting holders of restricted securities, controlling persons, brokers and others in complying with the rule's provisions. Experience in administering the rule and observing its operations has led to several modifications of interpretations previously expressed by the staff orally or in writing. The interpretations herein are deemed controlling at this time.

Since the Commission considers that Rule 144 is in the nature of an experiment, it intends to continue to monitor the rule's operation for the protection of investors and the public interest. As a result of this monitoring additional interpretations may be released from time to time. Also, the Commission has adopted today an amendment to paragraph (h) of Rule 144 and clarifying amendments to certain provisions of Forms 10-K (17 CFR 249.310) and 10-Q (17 CFR 249.308a) which relate to Rule 144. In addition the Commission published for comment a proposed amendment to paragraph (g) of Rule 144. (Release No. 33-5307) (37 F.R. 20576).

Set forth below is a series of illustrations of certain interpretations of the Division in question and answer form.

All interested persons are invited to submit their views and comments on improving the operation of Rule 144 to Alan B. Levenson, Director, Division of Corporation Finance, Securities and Exchange Commission, Washington, D.C. 20549.

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N.B. The following interpretations assume that all the other conditions of Rule 144 can and will be met.

I—AVAILABILITY OF RULE 144 AT VARIOUS STAGES OF THE REGISTRATION PROCESS

Illustration 1—Facts. X, pursuant to so-called "piggy back" provisions, has the contractual right to include his restricted securities in a future registration statement filed by the issuer, or has the contractual right to compel the issuer to file a registration statement covering his restricted securities. No such statement has been filed with the Commission to date.

Question. Is Rule 144 available to X for sale of his restricted securities?

Interpretative response. Yes, Rule 144 is available to X.

Illustration 2—Facts. The facts are the same as in Illustration 1 except there have been or are discussions between X and the issuer about registration.

Question. Is rule 144 available to X for sale of his restricted securities?

Interpretative response. Yes, Rule 144 is available to X.

Illustration 3—Facts. The issuer has filed a registration statement covering the restricted securities owned by X. The registration statement is pending but has not been ordered effective.

Question A. Can the issuer withdraw X's securities from registration by a pre-effective amendment?

Interpretative response. Yes.

Question B. If such securities are in fact withdrawn from registration, will Rule 144 be available to X for sale of these restricted securities?