

ton, Oconee, Oglethorpe, Paulding, Pickens, Pierce, Pike, Polk, Pulaski, Putnam, Quitman, Randolph, Rockdale, Seminole, Spalding, Stewart, Sumter, Talbot, Tallaferrero, Tattall, Terrell, Thomas, Tift, Towns, Troup, Turner, Union, Walker, Walton, Warren, Webster, Whitfield, Wilcox, Wilkes, Worth.

**Idaho.** Ada, Bannock, Bingham, Bonneville, Butte, Cassia, Clark, Elmore, Franklin, Gem, Gooding, Jefferson, Lincoln, Madison, Minidoka, Twin Falls.

**Illinois.** Brown, Effingham, Hardin, Pope, Williamson.

**Iowa.** Allamakee, Appanoose, Cedar, Cerro Gordo, Cherokee, Crawford, Decatur, Floyd, Guthrie, Harrison, Jasper, Monroe, Poweshiek, Ringgold, Sac, Sioux, Story, Union, Warren, Wayne.

**Kansas.** Allen, Anderson, Atchison, Barber, Barton, Bourbon, Brown, Butler, Chase, Chautauqua, Cherokee, Cheyenne, Clark, Clay, Cloud, Coffey, Cowley, Crawford, Decatur, Dickinson, Douglas, Edwards, Elk, Ellis, Ellsworth, Finney, Franklin, Geary, Grant, Gray, Greenwood, Hamilton, Harper, Harvey, Jackson, Jefferson, Jewell, Kearny, Kingman, Kiowa, Labelle, Leavenworth, Lincoln, Linn, Lyon, Marion, McPherson, Meade, Miami, Mitchell, Montgomery, Morris, Morton, Nemaha, Neosho, Ness, Norton, Osage, Osborne, Ottawa, Pottawatomie, Pratt, Rawlins, Reno, Republic, Rice, Rooks, Rush, Russell, Saline, Sedgwick, Seward, Shawnee, Sherman, Smith, Stafford, Stanton, Stevens, Sumner, Wabunsee, Wichita, Wilson, Woodson, Wyandotte.

**Kentucky.** Adair, Allen, Anderson, Ballard, Barren, Bath, Boone, Bourbon, Boyd, Boyle, Bracken, Breckenridge, Bullitt, Butler, Caldwell, Calloway, Carlisle, Carroll, Carter, Casey, Christian, Clark, Clinton, Crittenden, Cumberland, Daviess, Elliott, Estill, Fayette, Fleming, Franklin, Fulton, Gallatin, Garrard, Grant, Graves, Grayson, Green, Greenup, Hancock, Hardin, Harrison, Hart, Henderson, Henry, Hickman, Hopkins, Jefferson, Jessamine, Larue, Laurel, Lincoln, Livingston, Logan, Lyon, Madison, Marion, Marshall, Mason, McCracken, McLean, Meade, Mercer, Metcalfe, Monroe, Montgomery, Muhlenberg, Nelson, Nicholas, Ohio, Oldham, Owen, Powell, Pulaski, Rockcastle, Rowan, Russell, Scott, Shelby, Simpson, Spencer, Taylor, Todd, Trigg, Union, Warren, Washington, Wayne, Webster, Woodford.

**Mississippi.** Adams, Amite, Attala, Benton, Bolivar, Calhoun, Carroll, Chickasaw, Choctaw, Claiborne, Clarke, Clay, Coahoma, Copiah, Covington, De Soto, Forrest, Franklin, George, Greene, Grenada, Hinds, Holmes, Humphreys, Issaquena, Itawamba, Jasper, Jefferson, Jefferson Davis, Jones, Kemper, Lafayette, Lamar, Lauderdale, Lawrence, Leake, Lee, LeFlore, Lincoln, Lowndes, Madison, Marion, Marshall, Monroe, Montgomery, Neshoba, Newton, Noxubee, Oktibbeha, Panola, Pearl River, Perry, Pike, Pontotoc, Prentiss, Quitman, Rankin, Scott, Sharkey, Simpson, Smith, Sunflower, Tallahatchie, Tate, Tippah, Tunica, Union, Walthall, War-

ren, Washington, Wayne, Webster, Wilkinon, Winston, Yalobusha, Yazoo.

**Missouri.** Adair, Andrew, Atchison, Barry, Barton, Bates, Benton, Bollinger, Boone, Buchanan, Butler, Caldwell, Callaway, Camden, Cape Girardeau, Carroll, Carter, Cass, Cedar, Chariton, Christian, Clark, Clay, Clinton, Cole, Cooper, Crawford, Dade, Daviess, De Kalb, Dent, Gentry, Greene, Grundy, Harrison, Henry, Hold, Howard, Howell, Jasper, Jefferson, Johnson, Knox, Lafayette, Lawrence, Lincoln, Linn, Livingston, Macon, Madison, Maries, Marion, McDonald, Mercer, Mississippi, Monroe, Morgan, New Madrid, Newton, Nodaway, Oregon, Osage, Ozark, Pemiscot, Pettis, Phelps, Pike, Polk, Putnam, Ralls, Randolph, Ray, Reynolds, Ripley, St. Charles, St. Clair, St. Francois, St. Genevieve, Saline, Scotland, Scott, Shannon, Stoddard, Stone, Sullivan, Taney, Texas, Vernon, Warren, Washington, Wayne, Webster, Worth, Wright.

**New Mexico.** Chaves, Curry, De Baca, Eddy, Guadalupe, Lea, Mora, Quay, Roosevelt, San Miguel, Union, Valencia.

**South Dakota.** Jones, Stanley.

**Tennessee.** Bedford, Benton, Bledsoe, Bradley, Cannon, Carroll, Chester, Clay, Cocke, Coffee, Crockett, Cumberland, DeKalb, Dyer, Fayette, Franklin, Gibson, Giles, Hamblen, Hamilton, Hardeeman, Hawkins, Haywood, Henderson, Henry, Hickman, Houston, Humphreys, Jackson, Lauderdale, Lawrence, Lewis, Lincoln, Loudon, Macon, Madison, Marion, Marshall, Maury, McMinn, McNairy, Monroe, Montgomery, Moore, Obion, Overton, Perry, Pickett, Putnam, Rhea, Shelby, Smith, Stewart, Sumner, Tipton, Trousdale, Van Buren, Washington, Wayne, Weakley, Williamson, Wilson.

**Texas.** Anderson, Andrews, Angelina, Aransas, Archer, Armstrong, Atascosa, Austin, Bailey, Bandera, Bastrop, Baylor, Bee, Bell, Bexar, Blanco, Borden, Bosque, Bowie, Brazoria, Brazos, Briscoe, Brooks, Brown, Burleson, Burnet, Caldwell, Calhoun, Callahan, Cameron, Camp, Carson, Cass, Castro, Chambers, Cherokee, Clay, Cochran, Coke, Coleman, Collin, Collingsworth, Colorado, Comanche, Concho, Cooke, Coryell, Cottle, Crockett, Crosby, Culberson, Dallam, Dallas, Dawson, Deaf Smith, Delta, Denton, De Witt, Dickens, Dimmitt, Donley, Duval, Eastland, Edwards, Ellis, El Paso, Erath, Falls, Fannin, Fayette, Fisher, Floyd, Foard, Fort Bend, Franklin, Freestone, Frio, Gaines, Galveston, Garza, Gillespie, Glasscock, Goliad, Gonzales, Grayson, Gregg, Grimes, Guadalupe, Hale, Hall, Hamilton, Hardeman, Hardin, Harris, Harrison, Haskell, Hays, Henderson, Hidalgo, Hill, Hockley, Hood, Hopkins, Houston, Howard, Hudspeth, Hunt, Hutchinson, Jack, Jackson, Jasper, Jefferson, Jim Hogg, Jim Wells, Johnson, Jones, Karnes, Kaufman, Kendall, Kenedy, Kent, King, Kinney, Kleberg, Knox, Lamar, Lamb, Lampasas, La Salle, Lavaca, Lee, Leon, Liberty, Limestone, Live Oak, Lubbock, Lynn, McCulloch, McLennan, McMullen, Madison, Marion, Martin, Matagorda, Maverick, Medina, Menard, Midland, Milam, Mills, Mitchell,

Montague, Montgomery, Moore, Morris, Motley, Nacogdoches, Navarro, Nolan, Nueces, Ochiltree, Oldham, Orange, Palo Pinto, Panola, Parker, Parmer, Polk, Potter, Presidio, Rains, Randall, Real, Red River, Reeves, Refugio, Robertson, Rockwall, Runnels, Rusk, Sabine, San Augustine, San Jacinto, San Patricio, San Saba, Schleicher, Scurry, Shackelford, Shelby, Sherman, Smith, Somervell, Starr, Stephens, Stonewall, Sutton, Swisher, Tarrant, Taylor, Terry, Throckmorton, Titus, Tom Green, Travis, Trinity, Tyler, Upshur, Upton, Uvalde, Van Zandt, Victoria, Walker, Waller, Washington, Webb, Wharton, Wheeler, Wichita, Wilbarger, Willacy, Williamson, Wilson, Wise, Wood, Yoakum, Young, Zapata, Zavala.

**Utah.** Box Elder, Cache.

**Wyoming.** Lincoln.

**Puerto Rico.** Arecibo, Carolina, Guaynabo, Hatillo, Las Piedras, Naguabo.

#### § 78.22 Noncertified Areas.

The following States, or specified portions thereof, are hereby designated as Noncertified Brucellosis Areas:

- (a) *Entire States.*
- (b) *Specific Counties Within States.*

**Iowa.** Clay.

**Puerto Rico.** Vieques.

(Secs. 4-7, 23 Stat. 32, as amended; secs. 1 and 2, 32 Stat. 791-792, as amended; sec. 3, 33 Stat. 1265, as amended; sec. 2, 65 Stat. 693; 111-113, 114a-1, 115, 117, 120, 121, 125, 134b, 111-113, 11a-1, 115, 117, 120, 121, 125, 134b, 134f; 37 FR 28464, 28477; 38 FR 19141, 9 CFR 78.25.)

Effective date: The foregoing amendments shall become effective December 28, 1976.

The amendments impose certain restrictions necessary to prevent the spread of brucellosis in cattle and relieve certain restrictions presently imposed. They should be made effective promptly in order to accomplish their purpose in the public interest and to be of maximum benefit to persons subject to the restrictions which are relieved. It does not appear that public participation in this rulemaking proceeding would make additional relevant information available to the Department.

Accordingly, under the administrative procedure provisions of 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendments are impracticable, unnecessary, and contrary to the public interest, and good cause is found for making them effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 16th day of December, 1976.

The Animal and Plant Health Inspection Service has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

J. M. HEJL,  
Deputy Administrator,  
Veterinary Services.

[FR Doc.76-37561 Filed 12-27-76; 8:45 am]

Title 17—Commodity and Securities  
Exchanges

CHAPTER II—SECURITIES AND  
EXCHANGE COMMISSION

[Release Nos. 33-5791 and 34-13083]

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

PART 239—FORMS PRESCRIBED UNDER  
THE SECURITIES ACT OF 1933

Adoption of Amendments to Registration  
Forms and Guide and Rescission of Reg-  
istration Form

The Securities and Exchange Commission today adopted amendments to Form S-7 (17 CFR 239.26) and Form S-16 (17 CFR 239.27), which make these forms available to a larger number of issuers, and rescinded Form S-9 (17 CFR 239.22), under the Securities Act of 1933 ("Securities Act") (15 U.S.C. 77a et seq., as amended by Pub. L. No. 94-29 (June 4, 1975)). These amendments were published for comment in Securities Act Release No. 5728 and Securities Exchange Act Release No. 12654 (July 26, 1976) (41 FR 32540) and are adopted substantially as proposed, although certain modifications have been made. The Commission has determined that the modifications made to Forms S-7 and S-16 from those published for comment, which generally represent a relaxation of the proposed provisions, do not impose a significant additional burden on registrants nor necessitate a republication for comment pursuant to the Administrative Procedure Act of 1946 (5 U.S.C. 553).

The Commission also authorized the publication of a related amendment to Guide 30 of the Guides for Preparation and Filing of Registration Statements under the Securities Act of 1933 ("Guides"), Securities Act Release No. 4936 (December 9, 1968) (33 FR 18617), as amended. The amendment to Guide 30 is technical in nature and is necessitated by the above-mentioned rescission of Form S-9. Therefore, the Commission has also determined that the opportunity for public comment under the Administrative Procedure Act of 1946 is unnecessary.

This release contains a general discussion of the background, purpose and effect of the amendments and a brief description of certain significant aspects of them. Attention is directed to the attached text of the amendments for a more complete understanding.

BACKGROUND AND PURPOSE

Forms S-7 and S-16 are short registration forms available for registration of securities under the Securities Act. Registrants eligible to use Forms S-7 and S-16 are permitted to omit from the Form S-7 prospectus, or to incorporate by reference in the Form S-16 prospectus, substantial information already provided to security holders or available to investors in material filed with the Commission pursuant to the Securities Exchange Act of 1934 ("Exchange Act") (15 U.S.C. 78a et seq., as amended by Pub. L.

No. 94-29 (June 4, 1975)). As a result, a Form S-7 prospectus generally is simpler and shorter than one prepared pursuant to other available forms and the burden and expense to registrants of preparing the registration statement is reduced; this is true to an even greater extent with respect to Form S-16. Also, these short form registration statements are usually examined and declared effective more quickly by the staff. Recently, the Commission has taken action to further expedite the review of such registration statements by adopting General Instruction H to Form S-7 and General Instruction D to Form S-16, which request registrants to advise the Division of Corporation Finance of their intention to file a registration statement on Form S-7 or S-16.<sup>1</sup> Such notice would enable the staff to promptly review the registrant's Exchange Act reports in order to expedite processing of the registration statement when filed.

There have recently been improvements in the nature and extent of the information required to be included in reports filed with the Commission and in material provided to security holders<sup>2</sup> pursuant to the requirements of the Exchange Act, and the Commission is continuing its efforts to achieve greater improvements. The Commission's experience to date with the forms as proposed to be amended<sup>3</sup> and the comments of the public on the proposals have presented no reasons to indicate that expanded availability of the forms is not desirable. Therefore, the Commission believes that Forms S-7 and S-16 should be made available for use by a larger number of registrants subject to the reporting requirements of the Exchange Act. Registrants using these forms are reminded of their obligations to make full and prompt announcements of material facts regarding their financial condition, notwithstanding compliance with the reporting requirements of the Exchange Act. The failure of registrants to make prompt and accurate disclosure of both favorable and unfavorable information to security holders and the investing public may violate the Exchange Act and, in the case of a registrant making a continuous offering of its securities, may also violate the Securities Act if the prospectus is not appropriately updated. Therefore, regis-

<sup>1</sup> Securities Act Release No. 5777 (December 2, 1976) (41 FR 53473).

<sup>2</sup> See, for example, Exchange Act Rule 14a-3(b) (17 CFR 240.14a-3(b)), as amended by Exchange Act Release No. 11079 (October 31, 1974) (39 FR 40768), which calls for additional information to be included in the Annual Report to Shareholders and requires registrants to indicate in the Annual Report to Shareholders or the proxy statement that copies of its report on Form 10-K (17 CFR 249.310) are available to its shareholders without charge upon request.

<sup>3</sup> Securities Act Release No. 5728 permitted registrants to use Forms S-7 and S-16 as proposed to be amended while the proposals were pending. Also Securities Act Release No. 5613 (September 11, 1975) (40 FR 44584), which contained some of these same proposals, stated that use of the forms was permitted while the proposals were pending.

trants are urged once again to review their policies with respect to corporate disclosure and endeavor to set up procedures which will insure that prompt disclosure is made of all material corporate developments.<sup>4</sup>

During the past several months, the Commission has accelerated its program to further integrate, streamline and update the corporate disclosure system it administers under the Securities Act and the Exchange Act. The adoption of these amendments is an important step since it permits information provided to investors pursuant to the continuous disclosure requirements of the Exchange Act to be relied upon in lieu of disclosure which otherwise would be required in registration statements under the Securities Act. The Commission has also adopted a revised Form S-8 in Securities Act Release No. 5767 (November 22, 1976) (41 FR 52662) as part of this program and has invited public comment on the following proposals: to adopt a new registration form to allow a shorter prospectus to be used in connection with certain business combination transactions, Securities Act Release No. 5744 (October 4, 1976) (41 FR 43876); to amend the rules governing tender offers, including steps to allow persons making tender offers to communicate information to offerees in a more efficient and understandable form, Securities Act Release No. 5731 (August 6, 1976) (41 FR 33004); to amend Forms 8-K (17 CFR 249.308) and 10-Q (17 CFR 249.308a) under the Exchange Act to reduce the number of current reports required to be filed on Form 8-K, Securities Exchange Act Release No. 12619 (July 19, 1976) (41 FR 29784); and to amend Form S-16 to make it available to a limited category of large companies for use in registering certain primary offering of securities, Proposed Rules in this issue at page (Securities Act Release No. 5792 (December 20, 1976)). It has also been announced that the Commission is reviewing the procedures available to small issuers to raise capital, and that proposals may be published soon to solicit comments on how these procedures may be simplified.

ADOPTION OF AMENDMENTS TO FORMS S-7  
AND S-16

The amendments adopted today make Forms S-7 and S-16 available for the registration of securities by a greater number of registrants subject to the disclosure requirements of the Exchange Act. The Commission has considered all the letters of comment received on the proposals, all of which supported the primary goal of the proposals, i.e., making the forms more widely available for use by registrants. Many of the changes suggested by the commentators have been incorporated into the amendments adopted today. A discussion of the more important amendments is set forth below.

<sup>4</sup> See Securities Act Release No. 5092 (October 15, 1970) (35 FR 16733).

**RULE AS TO USE OF FORM S-7 (AND FORM S-16)<sup>5</sup>**

*Registrant Must Be Subject to Exchange Act.* The Rule as to Use of Form S-7 presently requires that a registrant have a class of equity securities registered pursuant to Section 12(b) of the Exchange Act or be a domestic registrant with a class of equity securities registered pursuant to Section 12(g) of that Act. The amendments adopted today make two changes in this requirement, the first of which was proposed in Securities Act Release No. 5613. It makes the form available to registrants with any class of securities, debt or equity, registered pursuant to Section 12(b) of the Exchange Act. Secondly, in response to numerous comments, the Commission has determined to make the form available for use by domestic registrants which are required to file reports pursuant to Section 15(d) of the Exchange Act. Both of these changes reflect the fact that through reports filed with the Commission pursuant to Section 13 of the Exchange Act, the information available concerning such registrants is substantially similar to the information available concerning registrants which were previously permitted to use the form. This is particularly so in light of the information concerning the management and principal shareholders of a registrant required to be included in Part II of reports on Form 10-K. (17 CFR 249.310) by registrants which have not filed proxy or information statements pursuant to Regulation 14A (17 CFR 240.14a-1 to 240.14a-103) or Regulation 14C (17 CFR 240.14c-1 to 240.14c-101).<sup>6</sup> However, in light of the fact that the Form 10-K may not be disseminated to the public as widely as other corporate disclosure documents, there has been added to the form a new requirement to paragraph (b) of the Rule and a new undertaking which relate solely to registrants subject to Section 15(d) of the Exchange Act.

*Registrant Must Comply with Requirements of Exchange Act.* In order to meet the present condition to the use of Form S-7, a registrant must have complied in all respects, including timeliness, with the requirements of Sections 13 and 14 of the Exchange Act for three fiscal years prior to the filing of the registration statement.

The amendments adopted today modify the provision to require that the reg-

istrant have been subject to Section 12 or 15(d) of that Act<sup>7</sup> and have filed all material required thereunder for at least thirty-six calendar months prior to the filing of the registration statement. This amendment makes Form S-7 available to a wider range of registrants by allowing companies filing reports pursuant to Section 15(d) to use it and by slightly reducing the applicable time period. At the same time, however, these changes, along with those discussed below relating to registrants subject to Section 15(d), will continue to assure that sufficient information about registrants using the form is available to the investing public through the Exchange Act reporting system.

In addition, the period during which all such reports must have been timely filed would be reduced from "three fiscal years" to "twelve calendar months."<sup>8</sup> This change is intended to simplify the determination of whether the timeliness requirement is met, and, at the same time, provide sufficient incentive to registrants to file all required reports when due. Generally, the staff will strictly enforce this condition to the use of Form S-7, since the timely filing of the required reports under the Exchange Act is essential to ensure the availability to the public of current and adequate information concerning registrants.<sup>9</sup>

<sup>5</sup> All such registrants must file the reports required by Section 13 of the Exchange Act. Since Section 14 of the Exchange Act is applicable only to issuers whose securities are registered pursuant to Section 12, issuers filing reports pursuant to Section 15(d) are not required to file proxy statements pursuant to Regulation 14A or information statements pursuant to Regulation 14C, although similar information is contained in Part II of their Form 10-Ks, as noted above. Wholly-owned subsidiaries with debt securities registered pursuant to Section 12(b) or preferred stock registered pursuant to Section 12(g) are subject to Section 14, although normally they have no proxy solicitations subject to Regulation 14A or 14C. Such registrants may nonetheless use Form S-7 or S-16 if they meet the other conditions as to their use. Of course, if such a registrant were to solicit proxies, consents or authorizations with respect to a class of securities registered under Section 12, Section 14 of the Exchange Act would be applicable and must have been complied with in order to use the forms.

<sup>6</sup> A report filed within the time granted pursuant to a request for an extension of time under Exchange Act Rule 12b-25 (17 CFR 240.12b-25) shall be considered timely filed.

<sup>7</sup> In this connection, the Commission wishes to remind registrants that Exchange Act Rule 0-3 (17 CFR 240.0-3) provides that the "date on which papers are actually received by the Commission shall be the date of filing." \* \* \* The Commission recognizes, however, that on rare occasions a document sent to the Commission in a timely fashion may arrive shortly after the required filing date because of circumstances beyond the control of the registrant. In such cases, the staff may, in its discretion, accept the registration statement for filing where to do so is consistent with the public interest and the protection of investors. See Securities Act Rule 401 (17 CFR 230.401).

To ensure that certain information concerning registrants which only have an obligation to file reports pursuant to Section 15(d) of the Exchange Act becomes more widely available to the investing public, the Commission has determined that in order to use the Form S-7, such registrants must furnish a report to all of their security holders who own a class of securities which has the subject of a registration statement declared effective pursuant to the Securities Act. Such a report must have been sent to all such security holders in the twelve months prior to the filing of the registration statement on the form. In addition, the registration statement on Form S-7 must contain an undertaking to send such reports to all those security holders who own a class of securities which has been the subject of an effective registration statement for that period of time during which the registrant remains under an obligation to file reports pursuant to Section 15(d).<sup>10</sup> The report shall contain all the information called for by Rule 14a-3(b) (17 CFR 240.14a-3(b)) which an issuer subject to Section 14 must include in its annual report to shareholders and, in addition thereto, the information relating to directors and the remuneration and transactions with the registrant of management and principal shareholders called for by Part II of Form 10-K. The Commission believes that this additional disclosure relating to registrants subject to Section 15(d) of the Exchange Act who wish to use this optional short registration form is justified since similar disclosure is required of registrants subject to Section 14 of the Exchange Act and will provide more widely available information concerning them to the investing public.

*Elimination of Continuity of Management Requirement.* The Commission has eliminated the requirement that a majority of the existing board of directors of the registrant has held that office for the last three fiscal years as a condition to the use of Form S-7.

In recent years, the staff has received and granted numerous requests for waivers of this condition in circumstances where registrants have been unable to meet the requirement because, for example, of recent increases in the size of the board of directors or because of turnover on the board due to the death or retirement of directors. In light of this experience, the Commission believes that the requirement is unnecessarily restrictive and that registrants should not be precluded from using the form simply because there has been a change in the majority of the board of directors.

<sup>10</sup> The registrant remains subject to Section 15(d) of the Exchange Act unless the duty to file is suspended because it has any class of securities registered pursuant to Section 12 of the Exchange Act or because, at the beginning of a fiscal year other than the fiscal year in which the registration statement became effective, the securities of each class to which the registration statement related are held of record by less than three hundred persons.

<sup>5</sup> The Rule as to Use of Form S-16 provides that the form is available for registration under the Securities Act of certain securities of registrants which meet the requirement for the use of Form S-7 at the time the registration statement is filed. Thus, the amendments to the Rule as to Use of Form S-7 automatically amend the Rule as to Use of Form S-16. See General Instruction A to Form S-16 (17 CFR 239.27(a)).

<sup>6</sup> The Commission has proposed for comment amendments to certain of the forms under both the Securities Act and the Exchange Act and the proxy rules to provide more meaningful disclosure regarding the background of management. See Securities Act Release No. 5758 (November 2, 1976) (41 FR 49493).

The Commission believes, nevertheless, that where there has been a recent change in control of the registrant, certain additional disclosure may be necessary in the Form S-7 or S-16 prospectus. See the discussion below concerning the new Item 10 of Form S-7 and the amended Item 9 of Form S-16.

**No-Default Requirement.** The amendment adopted today reduces from "ten years" to "thirty-six calendar months" the period during which the registrant and its subsidiaries may not have defaulted in the payment of any dividend or sinking fund installment on preferred stock, or in the payment of any principal, interest or sinking fund installment on any indebtedness for borrowed money, or in the payment of rentals under material long term leases, as a condition to use of the form.

This amendment makes the following changes from the proposal contained in Securities Act Release 5728. There is minor clarification of the relevant time period by indicating that it is "thirty-six calendar months" rather than "three years." The proposal stated that the condition relates to a default "on any indebtedness or borrowed money," rather than "on any indebtedness for borrowed money," which is the language presently in the form. Many commentators stated that this could be interpreted to include such things as a late payment on an ordinary trade account or installment sales contract, which could arise from clerical error or a good faith dispute with a supplier. Such a reading of the condition would unduly restrict the use of Form S-7, would not necessarily reflect a weakening of the registrant's financial position, and would, in any event, entail a laborious and time-consuming search to determine if it had occurred in the course of a routine business transaction. Therefore, the Commission has determined to retain the present language, which has been in the form since its adoption in 1967<sup>13</sup> and which has not resulted in any significant problems in its administration.

It also should be noted that the term "default" as used herein has been, and will continue to be, interpreted to include the failure to pay a dividend on preferred stock. Such a default cannot be remedied for purposes of this requirement by a subsequent payment of the missed dividend.

**Minimum Earnings Requirement.** The present Rule as to Use of Form S-7 requires that the issuer and its subsidiaries have had a net income, after taxes but before extraordinary items, of at least \$500,000 for each of the last five fiscal years. The amendments adopted today are identical to the proposals and reduce the minimum earnings required to "\$250,000 for three of the last four fiscal years, including the most recent fiscal year," and provide that the "cumulative effect of a change in accounting prin-

ciple" shall be excluded in determining net income.

**Elimination of Earned Dividends Requirement.** The Rule as to Use of Form S-7 presently requires that if the securities to be registered are common stock or are convertible into common stock, the registrant shall have earned, in each of the last five fiscal years, any dividend paid in such years. The Commission, as it proposed, has eliminated this requirement as a condition to the use of Form S-7.

**Use of Form S-7 by a Successor Registrant.** The proposed amendments provided that a registrant shall be deemed to have met the conditions to use of Form S-7 relating to Exchange Act reporting, defaults and net income only if it and any predecessor<sup>14</sup> taken together do so and further if (1) the succession<sup>15</sup> was primarily for the purpose of changing the state of incorporation of the predecessor or forming a holding company and (2) the assets and liabilities of the successor at the time of succession was substantially the same as those of the predecessor. The Commission has determined to adopt this amendment as proposed with a further provision to indicate that a registrant shall be deemed to meet these conditions if all of its predecessors did so at the time of succession and the registrant has continued to do so since the succession, regardless of the purpose of the succession.

**Use of Form S-7 Where Securities Guaranteed by Parent.** In the past, the staff has generally accepted the use of Form S-7 to register securities of a registrant which does not meet the Rule as to Use of Form S-7 if the securities of a majority-owned subsidiary were fully guaranteed as to principal and interest by its parent and the parent met the conditions of the rule. In response to public comment, this position has been codified in new General Instruction A(f). The Commission believes that since in these circumstances investors are primarily relying on the guarantee by the parent issuer, Form S-7 should be available and the disclosure concerning the subsidiary issuer may comply with the requirements of Form S-7, even though it does not itself meet the conditions of the Rule as to Use.<sup>16</sup>

#### USE OF FORM S-7 IN EXCHANGE OFFERS

Presently, Form S-7 may be used only to register securities to be offered for cash. The Commission has determined, as proposed, to make the form available for the registration of securities to be offered in exchange for other securities of the registrant or securities of any other

person. It has also determined to allow the use of the form for an offer to exchange the securities of the registrant for the assets of another person, although Form S-14 (17 CFR 239.23) will continue to be required for the registration of securities if Rule 145 (17 CFR 230.145) is applicable to the transaction.<sup>17</sup>

A new Instruction G is being added to Form S-7 which requires additional information to be included in a prospectus covering securities of the registrant to be offered in exchange for the assets or securities of any other person. Part of this additional information relates to the management of the registrant and its principal security holders and their transactions with the registrant. Although this information is not normally required in a Form S-7 prospectus, it is felt that it is necessary where the securities being registered are offered in exchange for the assets or securities of another person. These exchange offers are often accompanied by premium prices, relatively high brokers' commissions and extra selling efforts and the security holders of the subject company may be required to accept the offer or become minority shareholders in a company controlled by the registrant or be forced to exercise appraisal rights; under these circumstances, it is felt that such offerees should not have the burden of obtaining the registrant's Exchange Act filings in order to see the information concerning the management of the registrant. Also, any substantial interest in the subject company held by the registrant or any affiliate<sup>18</sup> of the registrant or by any officer, director or principal shareholder of the registrant, as well as by any associate<sup>19</sup> of such person, must be described.

Paragraph (b) of Instruction G requires that the prospectus include information concerning the person whose assets or securities are the subject of the exchange offer which is identical to the information required by Items 6 to 10 and 12 of Form S-1 (17 CFR 239.11), except in cases where such other person also is eligible to use Form S-7. If such other person is eligible to use Form S-7, the prospectus may include the information concerning it called for by Items 5, 6, 10 and 12 of Form S-7. In either case, if securities of such other person are to be exchanged or cancelled in the exchange or otherwise, such securities must also be described in accordance with the

<sup>13</sup> Since Form S-7 will now be available for use in exchange offers for the securities or assets of another person, it may be used for a "shelf" registration to the same extent as Form S-1 (17 CFR 239.11). See Guide 4(a) of the Guides, letters of the Division of Corporation Finance re Beatrice Foods Co. (January 17, 1973) and Whittaker Corporation (March 30, 1976), and Securities Act Release No. 5510 (July 3, 1974) (39 FR 26719).

<sup>14</sup> See Securities Act Rule 405(a) (17 CFR 230.405(a)) for the definition of an "affiliate."

<sup>15</sup> See Securities Act Rule 405(b-1) (17 CFR 230.405(b-1)) for the definition of an "associate."

<sup>16</sup> See Securities Act Rule 405(o) (17 CFR 230.405(o)) for the definition of "predecessor."

<sup>17</sup> See Securities Act Rule 405(v) (17 CFR 230.405(v)) for the definition of "succession."

<sup>18</sup> In the case of a guarantee of a security, both the company whose security is guaranteed and the guarantor are deemed to be issuers for purposes of the Securities Act, since the guarantee is itself a "security" as defined in Section 2(1) of the Securities Act.

<sup>19</sup> Securities Act Release No. 4886 (November 29, 1967) (32 FR 17933).

appropriate Items of the applicable form. In addition, the paragraph refers to Item 11(d) of Form S-7, which requires financial statements concerning the other person identical to those which would be required in a registration statement on Form S-1. However, if such other person also meets the conditions as to use of Form S-7, only those financial statements called for by Form S-7 are required for such other person. Relevant portions of the Instructions as to Financial Statements of Form S-1 relating to future successions to other businesses have been added to Items 11(d) (2) and (3) of Form S-7 since Form S-7 is now available for use in exchange offers.

Paragraph (c) has been added to indicate that if the securities being registered are to be offered in exchange for the registrant's own securities, the securities to be surrendered must also be described in accordance with Items 7, 8 or 9 of the form.

#### AMENDMENTS TO DISCLOSURE ITEMS OF FORMS S-7 AND S-16

*Item 5 (Business) of Form S-7.* Item 5(b) of Form S-7 calls for disclosure of information concerning lines of business of the registrant or classes of similar products or services of the registrant for each of the past five fiscal years. In light of the amendments to the Rule as to Use of Form S-7, certain registrants eligible to use the form may not have been engaged in business for that period of time. Accordingly, the Commission has amended Item 5(b) to require disclosure of such information for the last five fiscal years or for each fiscal year the registrant and its predecessors have been engaged in business, whichever is less.

*Item 6 (Statements of Income) of Form S-7.* Item 6 of Form S-7 presently calls for audited income statements of the registrant for each of the last five fiscal years. The Commission has amended Instruction 1 in a manner similar to Item 5(b) described above to require income statements for each of the last five fiscal years, or for each year the registrant and its predecessors have been in existence, whichever is less. Also, it has determined to require audited income statements only for the three most recent fiscal years and for any subsequent interim period(s) for which an audited balance sheet(s) is included in the prospectus. Certain wording changes have been made from the proposal to make clear that statements for an interim period(s) need be audited only if an audited balance sheet(s) is provided for a period subsequent to the latest fiscal year and that in such an event the comparable prior period interim statements need not be audited.

*Item 10 (Management and Others) of Form S-7.*

*Item 9 (Additional Information) of Form S-16.* As discussed above, the continuity of management condition to the use of the forms has been eliminated. However, where there has been a recent change in control of the registrant within the meaning of Securities Act Rule 405(f) (17 CFR 230.405(f)), the Com-

mission has included a requirement that certain additional disclosure concerning such change in control of the registrant and its management be made in the prospectus.

Accordingly, if there has been a change in control of the registrant within the past thirty-six months, new Item 10 of Form S-7 requires that the change in control be described. The proposed amendments indicated that the information called for by Items 16 to 20 of Form S-1 should be included in all Form S-7 prospectuses if there had been such a change in control. However, after consideration of the public comments, the Commission has determined that once a change in control within thirty-six months is disclosed in the Form S-7 prospectus, further information concerning management remuneration and transactions and principal shareholders is necessary only to the extent that it has not been "previously reported," as defined in Exchange Act Rule 12b-2 (17 CFR 240.12b-2). Items 16 to 20 of Form S-1 call for information concerning the registrant's directors and executive officers and their remuneration and options to purchase securities, principal holders of the registrant's securities, and the interest of management and others in certain transactions with the registrant.

Form S-16 has been amended to indicate that if there has been a change in control within the meaning of Securities Act Rule 405(f) within the past thirty-six months, a description of the change in control and the information contained in Items 16 to 20 of Form S-1 must be contained in the prospectus only to the extent not previously reported, as defined in Exchange Act Rule 12b-2.

To reflect these changes, present Items 10 and 11 of Form S-7 have been renumbered as Items 11 and 12, respectively, and present Item 9(b) of Form S-16 has been renumbered as Item 9(c). Also, it is indicated in renumbered Item 12(b) of Form S-7 and Item 9(c) of Form S-16 that the prospectus shall state that reports, proxy statements and other information filed by the registrant can be inspected and copied at certain of the Commission's Regional Offices as well as at its office in Washington and that all mail requests for copies of such information should be directed to the Commission's Public Reference Section. The current address of each such facility, as indicated in 17 CFR 200.11<sup>39</sup> and 200.80(c)(1), shall be set forth in the prospectus.

#### RESCISSION OF FORM S-9

Form S-9 is a form available for the registration under the Securities Act of non-convertible, fixed interest debt securities by registrants required to file reports pursuant to Section 13 or 15(d) of the Exchange Act and which meet certain other conditions, including minimum fixed charges coverage standards.

<sup>39</sup> Securities Act Release No. 5746 (September 30, 1976) (41 FR 44695) amended 17 CFR 200.11 to state the current addresses of the Commission's Regional Offices.

Form S-9 has been used only by a very small number of registrants in recent years, in part because recent increases in interest rates have made it difficult for many registrants to meet the minimum fixed charges coverage standards.

The Commission has determined to rescind Form S-9. It believes that virtually all registrants who have used the form are eligible to use Form S-7, as amended, for the registration of debt securities. This is particularly so in light of the fact that Form S-7 is now available for use by registrants filing reports pursuant to Section 15(d) of the Exchange Act.

#### AMENDMENT TO GUIDE 30

The Guides are not rules of the Commission nor are they published as bearing the Commission's approval; they represent policies and practices followed by the Commission's Division of Corporation Finance in administering the disclosure requirements of the Federal securities laws.

Guide 30 presently calls for disclosure of the principal sources of electric revenues on Form S-9. Since Form S-9 is hereby rescinded and electric utilities will now file registration statements on Form S-1 or S-7, the Guide has been amended to become applicable in such cases. This is consistent with the present practice of the staff of the Division of Corporation Finance. Also consistent with such practice, Guide 30 has been amended to be applicable to gas utilities.

#### ADOPTION OF AMENDMENTS AND RESCISSION

The Commission hereby adopts the amendments to Forms S-7 and S-16 and to Guide 30 and rescinds Form S-9 pursuant to the Securities Act of 1933, particularly Sections 6, 7, 10 and 19(a) thereof. This action is effective December 28, 1976. The text of the amendments to Forms S-7, S-16 and S-9 and to Guide 30 follows.

By the Commission.

GEORGE A. FITZSIMMONS,  
Secretary.

DECEMBER 20, 1976.

#### ADOPTION OF AMENDMENTS

#### PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

##### 1. Text of Amendments to Form S-7

Form S-7 (17 CFR 239.26) is amended to read as follows:

§ 239.26 Form S-7, for registration under the Securities Act of 1933 of securities of certain issuers.

#### GENERAL INSTRUCTIONS

A. Rule as to Use of Form S-7. Any registrant which meets the following conditions may use this form for registration of securities under the Securities Act of 1933:

(a) The registrant (1) has a class of securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934; or (2) is organized under the laws of the United States or any State or Territory or the District of Columbia, has its principal business operations in the United States or its Territories and has a class of equity securities

registered pursuant to Section 12(g) of the above Act or is required to file reports pursuant to Section 15(d) of the above Act.

(b) The registrant (1) has been subject to the requirements of Section 12 or 15(d) of the Securities Exchange Act of 1934 and has filed all the material required to be filed pursuant to Sections 13, 14 or 15(d), as applicable, for a period of at least thirty-six calendar months immediately preceding the filing of the registration statement on this form; (2) has filed in a timely manner all reports required to be filed during the twelve calendar months preceding the filing of the registration statement; and (3) if subject only to the requirements of Section 15(d) of the Securities Exchange Act of 1934, has sent to all security holders of each class of securities to which the registration statements declared effective pursuant to the Securities Act of 1933 relate a report containing the information called for by Rule 14a-3 (b) (17 CFR 240.14a-3(b)) and Part II of Form 10-K (17 CFR 249.310) under the Securities Exchange Act of 1934 within the twelve calendar months preceding the filing of the registration statement.

(c) The registrant and its subsidiaries have not during the past thirty-six calendar months defaulted in the payment of any dividend or sinking fund installment on preferred stock, or installment on any indebtedness for borrowed money, or in the payment of rentals under long term leases.

(d) The registrant and its consolidated subsidiaries had a net income, after taxes but before extraordinary items and cumulative effect of a change in accounting principle net of tax effect, of at least \$250,000 for three of the last four fiscal years, including the most recent fiscal year.

(e) A registrant shall be deemed to have met conditions (b), (c) and (d) above if (1) its predecessor and it, taken together, do so, provided that the succession was primarily for the purpose of changing the State of incorporation of the predecessor or forming a holding company and that the assets and liabilities of the successor at the time of succession were substantially the same as those of the predecessor; or (2) if all predecessors met the conditions at the time of succession and the registrant has continued to do so since the succession.

(f) This form may be used for the registration of securities of a majority-owned subsidiary which are fully guaranteed as to principal and interest by its parent if the parent meets the above conditions, notwithstanding the failure of the subsidiary issuer to meet such conditions.

B.-F. (No change.)

G. *Exchange Offers.* (a) If any of the securities being registered are offered in exchange for assets or securities of any other person, the prospectus shall include, in addition to the other information called for by this form, the information concerning the registrant called for by Items 16, 17, 19 and 20 of Form S-1 (17 CFR 239.11). Describe any substantial interest in the other person, direct or indirect, by security holdings or otherwise, held within the past three years by the registrant or by each affiliate of the registrant or by any officer, director or security holder of the registrant named in answer to Item 19(a) of Form S-1 (17 CFR 239.11) or by each associate of such person.

(b) Except as stated below, the prospectus shall also include the information concerning the other person required by Items 6 to 10, inclusive, and 12 of Form S-1 (17 CFR 239.11) and, if securities of such other person are to be surrendered or cancelled pursuant to the exchange or otherwise, by Items 13 to 15, inclusive, of Form S-1 (17 CFR 239.11) as if such securities were being

registered on that form. Reference is made to Item 11(d) of this form for information concerning the necessity of furnishing financial statements of such other person. In the event the other person also meets the conditions set forth in General Instruction A to this form, the prospectus may include, in lieu of the above information concerning such other person, the information required by Items 5, 6, 10 and 12 of this form and, if securities of such other person are to be surrendered or cancelled pursuant to the exchange or otherwise, by Items 7 to 9, inclusive, of this form as if such securities were being registered on this form. In this event, Item 11(d) may be complied with by furnishing only those financial statements concerning such other person which would be required if it were registering securities on this form. In connection with this instruction, reference is made to Rules 409 (17 CFR 230.409) and 434B (17 CFR 230.434b) under the Securities Act of 1933.

(c) If any of the securities being registered are offered in exchange for outstanding securities of the registrant, the prospectus shall include the information called for by Items 7 to 9, inclusive, of this form as if such outstanding securities were being registered on this form.

H. *Preparation of Part II.* (No change from former General Instruction G.)

I. *Notice of Intention to File the Registration Statement.* (No change from former General Instruction H.)

PART I. INFORMATION REQUIRED IN PROSPECTUS

Item 1.—Item 4. (No change.)

Item 5. *Business.* (a) (No change.)

(b) (1) *Information as to lines of business.* If the registrant and its subsidiaries are engaged in more than one line of business, state, for each of the registrant's last five fiscal years, or for each fiscal year the registrant and its predecessors have been engaged in business, whichever period is less, the approximate amount or percentage of (I) total sales and revenues, and (II) income (or loss) before income taxes and extraordinary items, attributable to each line of business which during either of the last two fiscal years accounted for—

(A) 10 percent or more of the total of sales and revenues,

(B) 10 percent or more of income before income taxes and extraordinary items computed without deduction of loss resulting from operations of any line of business, or

(C) a loss which equalled or exceeded 10 percent of the amount of income specified in (B) above; provided, that if total sales and revenues did not exceed \$50,000,000 during either of the last two fiscal years, the percentages specified in (A), (B) and (C) above shall be 15 percent, instead of 10 percent. (No further change in Item 5.)

Item 6. *Statements of Income.* Furnish in comparative columnar form statements of income for the registrant, or for the registrant and its subsidiaries consolidated, or both, as appropriate, for—

(a) each of the last five fiscal years of the registrant (or for the life of the registrant and its predecessors, if less), and

(b) any interim period between the end of the most recent fiscal year and the date of the most recent balance sheet(s) being filed pursuant to Item 11(a) and for the corresponding interim period of the preceding fiscal year, and

(c) any additional fiscal years necessary to keep the statements from being misleading.

Where necessary, include information or explanation of material significance to investors in appraising the results shown, or refer to such information or explanation set forth elsewhere in the prospectus. A state-

ment of source and application of funds shall be furnished for each fiscal year or other period for which a statement of income is required to be furnished.

*Instructions.* 1. The statements required shall be prepared in compliance with the applicable requirements of Regulation S-X (17 CFR Part 210) and shall be audited for each of the last three fiscal years and for any subsequent interim period to the date of the most recent audited balance sheet(s) included in the prospectus. Regulation S-X (17 CFR Part 210) governs the examination and the form and content of such statements, including the basis of consolidation, and prescribes the statements of retained earnings and other stockholders' equity and the schedules to be filed.

2.-9. (No change.)

10. Statements of income and source and application of funds conforming with the foregoing and statements of retained earnings and other stockholders' equity shall be furnished, here or elsewhere in the prospectus, for each subsidiary or group of subsidiaries or 50 percent or less owned persons for which a balance sheet is furnished in response to Item 11(b).

Item 7.—Item 9. (No change.)

Item 10. *Management and Others.* If there has been a change in control of the registrant within the past thirty-six calendar months, describe the change in control and provide any information called for by Items 16 to 20, inclusive, of Form S-1 (17 CFR 239.11) which has not been "previously reported" as defined in Rule 12b-2 (17 CFR 240.12b-2) under the Securities Exchange Act of 1934.

Item 11. *Other Financial Statements and Schedules.* (a)-(c) (No change from paragraphs (a) to (c) of former Item 10.)

(d) *Future Successions to Other Businesses.* (1) (No change from subparagraph (d) (1) of former Item 10.)

(2) The acquisition of securities shall be deemed to be the acquisition of a business if such securities give control of the business or combined with securities already held give such control. In addition, the acquisition of securities which will extend the registrant's control of a business shall be deemed the acquisition of the business if any of the securities being registered hereunder are offered in exchange for the securities to be acquired.

(3) No financial statements need be filed, however, for any business acquired or to be acquired, or for any business in which an investment acquired or to be acquired is required to be accounted for by the equity method, from a totally held subsidiary. In addition, the statements of any one or more such businesses may be omitted if the businesses, considered in the aggregate, would not meet the test of a significant subsidiary; provided that the statements of any business may not be omitted where any of the securities being registered are offered in exchange for securities representing such business or for assets of such business.

(e) (No change from paragraph (e) of former Item 10.)

Item 12. *Statement of Available Information.* (a) (No change from paragraph (a) of former Item 11.)

(b) The statement shall also indicate that such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission in Washington, D.C. and at certain of its Regional Offices, stating the current address of each such facility (see 17 CFR 200.11(b) and 17 CFR 200.80(c)(1)), and that copies of such material can be obtained from the Public Reference Section of the Commission at Washington, D.C. 20549

at prescribed rates. In addition, any national securities exchange on which the registrant's securities are listed, and where reports, proxy statements and other information concerning the registrant can be inspected, shall be named.

**PART II. INFORMATION NOT REQUIRED IN PROSPECTUS**

*Item 13. Other Expenses of Issuance and Distribution.* (No change from former Item 12.)

*Item 14. Relationship with Registrant of Experts Named in Registration Statement* (No change from former Item 13.)

*Item 15. Indemnification of Directors and Officers.* (No change from former Item 14.)

*Item 16. Treatment of Proceeds from Stock to be Registered.* (No change from former Item 15.)

*Item 17. Other Documents Filed as a Part of the Registration Statement.* (No change from former Item 16.)

**UNDERTAKINGS**

A.-C. (No change.)

D. The following undertaking shall be included in the registration statement if the registrant is subject only to the requirements of Section 15(d) of the Securities Exchange Act of 1934:

"The undersigned registrant hereby undertakes, so long as it remains subject to a duty to file under Section 15(d) of the Securities Exchange Act of 1934, to send to all security holders of each class of securities to which the registration statements declared effective pursuant to the Securities Act of 1933 relate a report containing the information called for by Rule 14a-3(b) (17 CFR 240.14a-3(b)) and Part II of Form 10-K (17 CFR 249.310) under the Securities Exchange Act of 1934."

**SIGNATURES**

(No change.)

**INSTRUCTIONS AS TO EXHIBITS**

Subject to the rules regarding incorporation by reference, the following exhibits shall be filed as a part of the registration statement. Exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may bear the designation given in the previous filing. Where exhibits are incorporated by reference, the reference shall be made in the list of exhibits called for by Item 17.

1.-3. (No change.)

4. Copies of all indemnification contracts or arrangements described in answer to Item 15.

5.-6. (No change.)

**INSTRUCTIONS AS TO SUMMARY PROSPECTUSES**

1. A summary prospectus used pursuant to Rule 434A (17 CFR 230.434a) shall at the time of its use contain such of the information specified below as is then included in the registration statement. All other information and documents contained in the registration statement may be omitted.

(a)-(j) (No change.)

(k) As to Item 11, a tabular presentation of notes payable, long term debt, deferred credits, minority interests, if material, and the equity section of the latest balance sheet filed, as may be appropriate.

2. The summary prospectus shall not contain a summary or condensation of any of the financial information required by Item 11, except as required by Instruction 1(k) above.

3. (No change.)

2. *Text of Amendments to Form S-16.* Form S-16 (17 CFR 239.27) is amended to read as follows:

§ 239.27 Form S-16, optional form of registration of certain offerings of outstanding securities and of offerings to holders of certain convertible securities and of offerings to holders of certain outstanding warrants.

**GENERAL INSTRUCTIONS**

(No change.)

**PART I. INFORMATION REQUIRED IN PROSPECTUS**  
*Item 1.-Item 8.* (No change.)

*Item 9. Additional Information* (a) (No change.)

(b) If there has been a change in control of the registrant within the past thirty-six calendar months which has not been "previously reported" as defined in Rule 12b-2 (17 CFR 240.12b-2) under the Securities Exchange Act of 1934, describe the change in control and provide any information called for by Items 16 to 20, inclusive, of Form S-1 (17 CFR 239.11) which has not been "previously reported."

(c) State that reports, proxy statements and other information filed by the registrant can be inspected and copied at the public reference facilities maintained by the Commission in Washington, D.C. and at certain of its Regional Offices, stating the current address of each such facility (see 17 CFR 200.11(b) and 17 CFR 200.80(c)(1)), and that copies of such material can be obtained from the Public Reference Section of the Commission, Washington, D.C. 20549 at prescribed rates. In addition, any national securities exchange on which the registrant's securities are listed, and where reports, proxy statements and other information concerning the registrant can be inspected, shall be named.

(No further change in Form S-16.)

3. *Rescission of Form S-9.*

§ 239.22 [Rescinded]

17 CFR 239.22 (Form S-9), for the registration of certain debt securities, is rescinded in its entirety.

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

4. *Text of Amendments to Guide 30.* Guide 30 of the Guides for Preparation and Filing of Registration Statements under the Securities Act of 1933, Securities Act Release No. 4936 (December 9, 1968) (33 FR 18617), as amended, is amended to read as follows:

30. *Disclosure of Principal Sources of Electric or Gas Revenues.* In registration statements filed on Form S-1 or S-7 by electric or gas utilities, the principal classes of service from which electric or gas revenues are derived should be furnished.

(Secs. 6, 7, 10, 19(a), 48 Stat. 78, 81, 85; secs. 205, 209, 48 Stat. 906, 908; sec. 2, 68 Stat. 685; sec. 1, 79 Stat. 1051; 15 U.S.C. 77f, 77g, 77j, 77s(a).)

[FR Doc.76-38057 Filed 12-27-76;8:45 am]

**Title 20—Employees Benefits**

**CHAPTER V—EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR**

**PART 653—SERVICES OF THE EMPLOYMENT SERVICE SYSTEM**

**Services for Veterans; Correction**

In the FEDERAL REGISTER document 76-31944 appearing at 41 FR 48250 et seq.

on November 2, 1976, the following corrections are made:

1. On p. 48251, column 1, in the third sentence of § 653.200, paragraph (b), the words "Section 653.212(f)" are corrected to read "Section 653.221(a)(7)(i) of this subpart."

2. On p. 48251, column 3, in the definition of "Disabled Veteran," the phrase "for a disability rated at less than 30 per centum" is deleted.

3. On p. 48251, column 3, in the definition of "Regional Veterans' Employment Representative (RVER)", the phrase "under the RA" and the commas setting off that phrase are deleted. In addition, the following sentences are added at the end of the definition: "The RVER shall report to, be responsible to, and be under the administrative direction of the Director, VES. In addition, the RVER shall report to, be responsible to, and be under the operational direction of the RA."

4. On p. 48251, column 3, in the definition of "State Veterans' Employment Representative (SVER)", the phrase "under the RA and the RVER" is corrected to read "under the RVER."

5. On p. 48252, column 2, paragraph (b) of § 653.213 is corrected to read: "An RVER shall be stationed in each ETA regional office. The RVER shall be a member of the ETA regional executive staff."

6. On p. 48252, column 3, in paragraph (d) of § 653.214, the phrase "Under the direction and supervision of the RA and the RVER" is corrected to "Under the direction and supervision of the RVER."

7. On p. 48253, column 3, in § 653.221(a)(7)(i) the phrase "(3) Qualified disabled veterans;" is corrected to read "(3) Qualified disabled veterans other than special disabled veterans;".

8. On p. 48254, column 1, paragraph (e) is deleted, paragraph (f) is re-lettered as (e), and paragraph (g) is deleted.

9. On p. 48254, column 2, in paragraph (d) of § 653.224, the phrase "duties prescribed for the LVER" is corrected to read "duties prescribed for the SVER."

10. On p. 48255, in § 653.230, the introductory text of paragraph (f)(2) is corrected by changing the words "referred to" to "enrolled in" both times they appear.

Signed at Washington, D.C. this 16th day of December, 1976.

WILLIAM H. KOLBERG,  
Assistant Secretary for  
Employment and Training.

[FR Doc.76-37881 Filed 12-27-76;8:45 am]

**Title 21—Food and Drugs**

**CHAPTER I—FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE**

**SUBCHAPTER A—GENERAL**

[Docket No. 76N-0367]

**PART 8—COLOR ADDITIVES**

FD&C Red No. 4; Confirmation of Effective Date

The Food and Drug Administration is confirming the effective date of October 27, 1976, of an order concerning the

use of FD&C Red No. 4 in externally applied drugs and cosmetics.

An order was published in the FEDERAL REGISTER of September 23, 1976 (41 FR 41854) that, inter alia, added §§ 8.4103 and 8.7163 (21 CFR 8.4103 and 8.7163) to provide for safe use of FD&C Red No. 4 in externally applied drugs and cosmetics. The order of September 23, 1976, also amended the identity and specifications for FD&C Red No. 4 under § 9.63 (21 CFR 9.63) to reference § 8.4103.

Under the Federal Food, Drug, and Cosmetic Act (sec. 706(b), (c), and (d), 74 Stat. 399-403 (21 U.S.C. 376(b), (c), and (d))) and under authority delegated to the Commissioner (21 CFR 5.1) (recodification published in the FEDERAL REGISTER of June 15, 1976 41 FR 24262), notice is given that no objections or requests for hearing were filed in response to the order of September 23, 1976. Accordingly, the amendments promulgated thereby became effective on October 27, 1976.

Dated: December 16, 1976.

JOSEPH P. HILE,  
Associate Commissioner  
for Compliance.

[FR Doc.76-37958 Filed 12-27-76;8:45 am]

SUBCHAPTER D—DRUGS FOR HUMAN USE

[Docket No. 76N-0435]

PART 444—OLIGOSACCHARIDE  
ANTIBIOTIC DRUGS

Sterile Neomycin Sulfate and Polymyxin B  
Sulfate Solution; Preservative Added

The Food and Drug Administration (FDA) is amending the oligosaccharide antibiotic drug regulations to provide for the use of a preservative in sterile neomycin sulfate-polymyxin B sulfate solution; effective December 28, 1976.

The Commissioner of Food and Drugs has approved a request submitted in accordance with regulations promulgated under section 507 of the Federal Food, Drug, and Cosmetic Act, as amended, with respect to the marketing of a multiple-dose vial of sterile neomycin sulfate-polymyxin B sulfate aqueous solution. Because of the multiple-dose characteristics of this sterile drug product, a preservative is necessary to prevent the growth of microorganisms. The use of a preservative in such multiple-dose vials is consistent with the requirements of The United States Pharmacopeia.

The Commissioner concludes that the regulation under which this drug product is currently being certified should be amended to provide for the use of the preservative.

Therefore, under the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended (21 U.S.C. 357)) and under authority delegated to the Commissioner (21 CFR 5.1) (recodification published in the FEDERAL REGISTER of June 15, 1976 (41 FR 24262)), Part 444 is amended in § 444.942b by inserting a new sentence after the first sentence of paragraph (a) (1); as revised, § 444.942b (a) (1) reads as follows:

§ 444.942b Sterile neomycin sulfate and polymyxin B sulfate solution.

(a) \* \* \*

(1) *Standards of identity, strength, quality, and purity.* Sterile neomycin sulfate and polymyxin B sulfate solution is an aqueous solution containing in each milliliter 40 milligrams of neomycin and 200,000 units of polymyxin B. If packaged in a multiple-dose container, it shall contain a suitable and harmless preservative. It is sterile. Its pH is not less than 5.0 and not more than 6.0. The neomycin sulfate used conforms to the standards prescribed by § 444.42a(a)(1)(i), (iv), (vi), and (vii). The polymyxin B sulfate used conforms to the standards prescribed by § 448.30a(a)(1)(i), (iv), (vi), (vii), and (ix) of this chapter. Each other substance used, if its name is recognized in the U.S.P. or the N.F., conforms to the standards prescribed therefor by such official compendium.

As the conditions prerequisite to providing for certification of this drug have been complied with, and as the matter is noncontroversial in nature, notice and public procedure and delayed effective date are not prerequisites to this promulgation.

Effective date: This regulation shall be effective December 28, 1976.

(Sec. 507, 59 Stat. 463, as amended (21 U.S.C. 357).)

Dated: December 16, 1976.

JOSEPH P. HILE,  
Associate Commissioner  
for Compliance.

[FR Doc.76-37501 Filed 12-27-76;8:45 am]

SUBCHAPTER E—ANIMAL DRUGS, FEEDS, AND RELATED PRODUCTS

PART 524—OPHTHALMIC AND TOPICAL  
DOSAGE FORM NEW ANIMAL DRUGS  
NOT SUBJECT TO CERTIFICATION

Crystalline Trypsin, Peru Balsam, Castor Oil

The Food and Drug Administration approves a supplemental new animal drug application (31-555V) filed by Burns-Biotec Laboratories Division, Chromalloy Pharmaceuticals, Inc., 7711 Oakport St., Oakland, CA 94621, proposing the safe and effective use of crystalline trypsin, Peru balsam, castor oil aerosol spray for treating external wounds on horses, cattle, dogs, and cats. The approval is effective December 28, 1976.

The Commissioner of Food and Drugs is amending Part 524 (21 CFR Part 524) to reflect this approval.

Therefore, under the Federal Food, Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(j))) and under authority delegated to the Commissioner (21 CFR 5.1) (recodification published in the FEDERAL REGISTER of June 15, 1976 (41 FR 24262)), Part 524 is amended in § 524.2620 by renumbering existing paragraphs (a) and (b) as (a) (1) and (2)

and adding new paragraphs (b) (1) and (2) to read as follows:

§ 524.2620 Liquid crystalline trypsin, Peru balsam, castor oil.

(a) (1) *Specifications.* The drug is a liquid for direct application or an aerosol preparation formulated so that each gram delivered to the wound site contains 0.12 milligram of crystalline trypsin, 87.0 milligrams of Peru balsam, and 788.0 milligrams of castor oil.

(2) *Sponsor.* See No. 000514 in § 510.600(c) of this chapter.

(b) (1) *Specifications.* The drug is a liquid for direct application or an aerosol preparation formulated so that each gram delivered to the wound site contains 0.1 milligram of crystalline trypsin, 72.5 milligrams of Peru balsam, and 800 milligrams of castor oil.

(2) *Sponsor.* See No. 000845 in § 510.600(c) of this chapter.

*Effective date.* This amendment shall be effective December 28, 1976.

(Sec. 512(i), 82 Stat. 347 (21 U.S.C. 306b(1)).)

Dated: December 17, 1976.

C. D. VAN HOUWELING,  
Director, Bureau of  
Veterinary Medicine.

[FR Doc.76-37959 Filed 12-27-76;8:45 am]

Title 24—Housing and Urban Development

CHAPTER X—FEDERAL INSURANCE ADMINISTRATION, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBCHAPTER B—NATIONAL FLOOD INSURANCE PROGRAM

[Docket No. R-76-430]

PART 1912—SALE OF INSURANCE AND ADJUSTMENT OF CLAIMS

Servicing Companies

The purpose of this revision is to provide a convenient list of servicing companies and to make certain other technical amendments to this part.

Because the revision is for the convenience of the public, it is unnecessary to provide for notice and public procedure. However, good cause does exist for making these revisions effective December 28, 1976.

Accordingly, Subchapter B of Chapter X of Title 24 is amended by revising § 1912.7 as follows:

§ 1912.7 Servicing companies.

The following servicing entities have been designated to act as servicing companies for the Association in the areas indicated:

SERVICING COMPANIES

ALABAMA

The Hartford Insurance Group, Atlanta Center, 250 Piedmont Avenue, N.W., P.O. Box 1720, Atlanta, Georgia 30308, (404) 658-1414.

ALASKA

Industrial Indemnity Company of Alaska, P.O. Box 307, Anchorage, Alaska 99510, (907) 279-9441.