(Secs. 313, 314, and 601 through 610, Federal Aviation Act of 1958, as amended (49 U.S.C. 1354, 1355, and 1421 through 1430); Sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)))

Note.—This amendment will eliminate delays caused by operators having to secure a special flight authorization (ferry permit) when they desire to conduct one-engine inoperative ferry flights by eliminating the need for such authorizations. This will reduce costs and paperwork to affected Part 125 operators. The expected impact of this regulatory action is minimal, involves no costs, will have only positive economic impact by eliminating the need for special flight authorizations, and does not warrant preparation of a regulatory evaluation. Therefore, the FAA has determined that this action is not a major rule under Executive Order 12291 or a significant regulation under the Department of Transportation Regulatory Policies and Procedures (44 FR 11034; Feburary 26, 1979). In addition, for the reasons discussed above I certify that, under the criteria of the Regulatory Flexibility Act, this regulatory action will not have a significant economic impact on a substantial number of small entities.

Issued in Washington, D.C. on May 10, 1982.

J. Lynn Helms,

Administrator.

[FR Doc. 82-15406 Filed 6-9-82; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF COMMERCE

International Trade Administration

15 CFR Part 376

Special Commodity Policies and Provisions; Correction

AGENCY: Office of Export Administration, International Trade Administration, Commerce.

ACTION: Final rule.

SUMMARY: A document published in the Federal Register of December 29, 1981 (46 FR 62837) removed and reserved § 376.2 of the Export Administration Regulations. In the Federal Register for February 4, 1982 (47 FR 5209) it was announced that § 376.2 was to be amended. Since § 376.2 had previously been removed, this rule rescinds the notice on February 4, 1982, and § 376.2 remains removed and reserved.

DATE: This rule was effective December 29, 1981.

FOR FURTHER INFORMATION CONTACT: Archie Andrews, Director, Exporters' Service Staff, Office of Export Administration, U.S. Department of Commerce, Washington, D.C. 20230 (Telephone: (202) 377-4811).

Rulemaking Requirements:

In connection with various rulemaking requirements, the Office of Export Administration has determined that:

1. Under Section 13(a) of the Export Administration Act of 1979 (Pub. L. 96-72, 50 U.S.C. app. 2401 et. seq.) ("the Act") this rule is exempt from the public participation in rulemaking procedures of the Administrative Procedure Act. This rule does not impose new controls on exports, and is therefore exempt from Section 13(b) of the Act, which expresses the intent of Congress that where practicable "regulations imposing controls on exports" be published in proposed form.

2. This rule does not impose a new reporting burden under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 et seq. The changes announced in this rule amend the Export Administration Regulations to conform them with the rule change announced by the Federal Register of December 29, 1981 (46 FR 62837).

3. This rule is not subject to the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 et. seq.

4. This rule is not a major rule within the meaning of section 1(b) of Executive Order 12291 (46 FR 13193, February 19, 1981), "Federal Regulation."

Therefore, this regulation is issued in final form. Although there is no formal comment period, public comments on this regulation are welcome on a continuing basis.

List of Subjects in 15 CFR Part 376

Export licenses, Exports, Reexports.

PART 376—SPECIAL COMMODITY POLICIES AND PROVISIONS

Accordingly, Part 376 of the Export Administration Regulations (15 CFR Parts 368-399) is amended as follows:

In FR Doc. 82-2862, published at 47 FR 5206-5211, remove amendment number "10", (§ 376.2 amended), from page 5209.

Authority: (Sections 13 and 15, Pub. L. 96-72, 93 Stat. 503, 50 U.S.C. app. 2401 *et seq.*; Executive Order No. 12214 (45 FR 29783, May 6, 1980); Department Organization Order 10-3 (45 FR 6141, January 25, 1980); International Trade Organization and Function Orders 41-1 (45 FR 11862, February 22, 1980) and 41-4 (45 FR 65003, October 1, 1980).)

Dated: June 2, 1982.

Vincent F. DeCain,

Acting Director, Office of Export Administration.

[FR Doc. 82-15698 Filed 6-9-82; 8:45 am]

BILLING CODE 3510-25-M

FEDERAL TRADE COMMISSION

16 CFR Part 13

[Docket 9064]

The American Medical Association, et al.; Prohibited Trade Practices, and Affirmative Corrective Actions

AGENCY: Federal Trade Commission.

ACTION: Modifying order.

SUMMARY: The FTC, in accordance with a decision and judgment rendered by the Court of Appeals for the Second Circuit on October 7, 1980, has modified its Final Order In the Matter of The American Medical Association issued on October 12, 1979 (44 FR 64803, 94 F.T.C. 701). The modified order, effective May 19, 1982, narrows the scope of the order so as not to encroach upon the valid activities of the AMA.

DATES: Final order issued Oct. 12, 1979. Modifying order issued May 19, 1982.

FOR FURTHER INFORMATION CONTACT: FTC/CS-8, L. Barry Costilo, Washington, D.C. 20580. (202) 724-1213.

SUPPLEMENTARY INFORMATION: In the Matter of The American Medical Association, a corporation, The Connecticut State Medical Society, a corporation, and The New Haven County Medical Association, Inc. Codification appearing at 44 FR 64803 remains unchanged.

List of Subjects in 16 CFR Part 13

Advertising, Doctors, Medical facilities.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45)

The Modified Order To Cease and Desist, including further order requiring report of compliance therewith, is as follows:

Modified Order To Cease and Desist

In the matter of The American Medical Association, a corporation, The Connecticut State Medical Society, a corporation, The New Haven County Medical Association, Inc.

Respondents having filed in the United States Court of Appeals for the Second Circuit a petition for review of the Commission's cease-and-desist order issued herein on October 12, 1979; and the Court having rendered its decision and judgment on October 7, 1980, affirming and enforcing the Commission's order with modification of Parts I and II; and the Supreme Court of the United States having affirmed by an equally divided court the judgment of the court of appeals on March 23, 1982,

and having denied a petition for rehearing on May 3, 1982:

Now, therefore, it is hereby ordered, that the aforesaid order to cease and desist be, and it hereby is, modified in accordance with the decision and judgment of the Court of Appeals to read as follows:

Order

I.

It is ordered that respondent American Medical Association, and its delegates, trustees, councils, committees, officers, representatives, agents, employees, successors and assigns, directly or indirectly, or through any corporate or other device, in or in connection with respondent's activities as a professional association in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Restricting, regulating, impeding, declaring unethical, interfering with, or advising against the advertising or publishing by any person of the prices, terms or conditions of sale of physicians' services, or of information about physicians' services, facilities or equipment which are offered for sale or made available by physicians or by any organization with which physicians are affiliated;

B. Restricting, regulating, impeding, declaring unethical, interfering with, or advising against the solicitation, through advertising or by any other means, including but not limited to bidding practices, of patients, patronage, or contracts to supply physicians' services, by any physician or by any organization with which physicians are affiliated; and

C. Inducing, urging, encouraging, or assisting any physician, or any medical association, group of physicians, hospital, insurance carrier or any other non-governmental organization to take any of the actions prohibited by this Part.

Nothing contained in this Part shall prohibit respondent from formulating, adopting, disseminating to its constituent and component medical organizations and to its members, and enforcing reasonable ethical guidelines governing the conduct of its members with respect to representations, including unsubstantiated representations, that respondent reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act, or with respect to uninvited, in-person solicitation of actual or potential patients, who, because of their particular circumstances, are vulnerable to undue influence.

II.

It is further ordered that respondent American Medical Association, and its delegates, trustees, councils, committees, officers, representatives, agents, employees, successors and assigns, directly or indirectly, or through any corporate or other device, in or in connection with respondent's activities as a professional association in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Restricting, regulating, impeding, advising on the ethical propriety of, or interfering with the consideration offered or provided to any physician in any contract with any entity that offers physicians' services to the public, in return for the sale, purchase or distribution of his or her professional services, except for professional peer review of fee practices of physicians;

B. Restricting, interfering with, or impeding the growth, development or operations of any entity that offers physicians' services to the public, by means of any statement or other representation concerning the ethical propriety of medical service arrangements that limit the patient's choice of a physician;

C. Restricting, interfering with, or impeding the growth, development or operations of any entity that offers physicians' services to the public, by means of any statement or other representation concerning the ethical propriety of participation by non-physicians in the ownership or management of said organization; and

D. Inducing, urging, encouraging, or assisting any physician, or any medical association, group of physicians, hospital, insurance carrier or any other non-governmental organization to take any of the actions prohibited by this Part.

III.

It is further ordered that respondent American Medical Association cease and desist from taking any formal action against a person alleged to have violated any ethical standard promulgated in conformity with this Order without first providing such person with:

A. Reasonable written notice of the allegations against him or her;

B. A hearing wherein such person or a person retained by him or her may seek to rebut such allegations; and

C. The written findings or conclusions of respondent with respect to such allegations.

IV.

It is further ordered that respondent American Medical Association:

A. Send by first class mail a copy of a letter in the form shown in Appendix A to this Order to each of its present members and to each constituent and component organization of respondent, within sixty (60) days after this Order becomes final.

B. For a peroid of ten years, provide each new member of respondent and each constituent and component organization of respondent with a copy of this Order at the time the member is accepted into membership.

C. Within ninety (90) days after this Order becomes final, remove from respondent American Medical Association's *Principles of Medical Ethics* and the Judicial Council's *Opinions and Reports*, and from the constitution and bylaws and any other existing policy statement or guideline of respondent, any provision, interpretation or policy statement which is inconsistent with the provisions of Parts I and II of this Order and, within one hundred and twenty (120) days after this Order becomes final, publish in the *Journal of the American Medical Association* and in *American Medical News* the revised versions of such documents, statements, or guidelines.

D. Require as a condition of affiliation with respondent that any constituent or component organization agree by action taken by the constituent or component organization's governing body to adhere to the provisions of Parts I, II, and III of this Order.

E. Terminate for a period of one year their affiliation with any constituent or component organization within one hundred and twenty (120) days after learning or having reason to believe that said constituent or component organization has engaged, after the date this Order becomes final, in any act or practice that if committed by respondent would be prohibited by Part I, II, or III of this Order.

V.

It is further ordered that respondent American Medical Association:

A. Within sixty (60) days after the Order becomes final publish a copy of this Order with such prominence as feature articles are regularly published in the *Journal of the American Medical Association* and in *American Medical News* or in any successor publications.

B. Within one hundred and twenty (120) days after this Order becomes final, file a written report with the Federal Trade Commission setting forth in detail the manner and form in which it has complied with this Order.

C. For a period of five (5) years after this Order becomes final, maintain and make available to the Commission staff for inspection and copying upon reasonable notice, records adequate to describe in detail any action taken in connection with the activities covered by Parts I and II of this Order, including but not limited to any advice or interpretations rendered with respect to advertising, solicitation, or contract practice involving any of its members.

D. Within one year after this Order becomes final, and annually thereafter, for a period of five (5) years, file a written report with the Federal Trade Commission setting forth in detail any action taken in connection with the activities covered by Parts I and II of this Order, including but not limited to any advice or interpretations rendered with respect to advertising, solicitation or contract practice involving any of its members.

VI.

It is further ordered that respondent American Medical Association shall notify the Commission at least thirty (30) days prior to any proposed change in the respondent, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation or association, or any other change in the corporation or association which may affect compliance obligations arising out of this Order.

By the Commission.

Appendix A

Dear Doctor: As you know, the Federal Trade Commission issued a complaint against the AMA on December 19, 1975, challenging the AMA's ethical restrictions on the advertising, solicitation, and contractual practices of its members. The complaint also nemed the Connecticut State Medical Society and the New Haven County Medical Association, Inc., as respondents.

In an opinion issued on [insert issue date], the FTC held that the AMA, the two Connecticut medical societies, and other state and local medical associations have unlawfully restricted the advertising, solicitation, and contractual practices of their members in violation of Section 5 of the Federal Trade Commission Act.

In conjunction with that opinion, the Commission issued an order which has now become final. This order is printed in the [insert issue date] issue of the *Journal of the American Medical Association*, the [insert issue date] issue of *American Medical News* and may be obtained from the AMA headquarters of from your state or local medical society.

Among other things, the order forbids any action by AMA that would:

—Restrict its menbers' solicitation of patients by advertising, submission of bids, or other means.

—Interfere with either the amount or the form of compensation provided a member in exchange for his or her professional services, in contracts with entities offering physician services to the public.

—Characterize as unethical the use of closed panel or other health care delivery plans that limit the patient's choice of a physician.

—Characterize as unethical the participation of non-pysicians in the ownership or management of health care organizations that provide physician services to the public.

However, the order does not prohibit the AMA from formulating and enforcing reasonable ethical guidelines governing deceptive advertising and solicitation (including unsubstantiated representations). The AMA may also issue guidelines concerning uninvited, in-person solicitation of patients who, because of their particular circumstances, are vulnerable to undue influence.

Finally, the order requires the AMA to amend the *Principles of Medical Ethics* and the Judicial Council's *Opinions and Reports* and to sever all ties for one year with any state or local medical society that engages in conduct of the type prohibited under the order.

Thank you for your cooperation.

Sincerely,

President.

Carol M. Thomas,

Secretary.

[FR Doc. 82-15679 Filed 6-9-82; 8:45 am]

BILLING CODE 6750-01-M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 210, 231, and 249

[Release Nos. 33-6405 and 34-18787; File No. S7-908]

Publication of Revisions to the Division of Corporation Finance's Guide 5 and Amendment of Related Disclosure Provisions

AGENCY: Securities and Exchange Commission.

ACTION: Publication of Revisions to Guide and Related Rulemaking.

SUMMARY: The Commission today approved the publication of revisions to Guide 5, "Preparation of Registration Statements Relating to Interests in Real Estate Limited Partnerships," of the Securities Act Industry Guides and the adoption of coordinating amendments to Regulation S-X and Form 8-K concerning disclosure by public real estate programs in registration statements and periodic reports. The revisions simplify and standardize disclosure concerning the prior performance of the general partner and affiliates and reduce the requirement for financial statements of significant properties acquired by a real estate program from three years to one year if certain conditions are met by the registrant. The revisions are the result of a cooperative effort with a subcommittee of the North American Securities Administrators Association.

EFFECTIVE DATE: The revisions to Guide 5 are effective for registration statements filed on or after September 1, 1982. However, registrants may elect to use revised Guide 5 after July 12, 1982. The amendments to Rule 3-14 of Regulation S-X (17 CFR 210.3-14) and Form 8-K (17 CFR 249.308) adopted herein are effective July 12, 1982.

FOR FURTHER INFORMATION CONTACT: William L. Larsen, (202) 272-2604, Office of Disclosure Policy, Division of Corporation Finance.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission today approved the publication of revisions to Guide 5, "Preparation of Registration Statements Relating to Interests in Real Estate Limited Partnerships," of the Securities Act Industry Guides[1] and the adoption of related amendments. The publication of the Guide revisions and related rulemaking culminates a major cooperative effort with the Subcommittee on Financial Statement and Track Record Disclosure of the North American Securities Administrators Association ("NASAA").[2] The changes in Guide 5 comprehensively revise current disclosure requirements concerning the prior performance ("track record") of the general partner and its affiliates ("sponsor"). Item 8 of Guide 5 has been revised to standardize and simplify the track record disclosure that now appears in registration statements of real estate limited partnerships. In conjunction with the revision of track

[1] Guide 5 was formerly Guide 60 of the Guides for the Preparation and Filing of Registration Statements and Reports under the Securities Act of 1933 ("Securities Act"). However, in Release No. 33-6384 (March 3, 1982) [47 FR 11476], the Commission authorized the Division of Corporation Finance to rescind all Guides except those setting forth disclosure guidelines applicable to specific industries. Guide 60 was retained, but was redesignated as Industry Guide 5.

[2] NASAA is a voluntary organization composed of the securities regulatory agencies of 49 states, the Commonwealth of Puerto Rico, Guam and 13 provinces and states of Canada and Mexico.

record disclosure standards, Rule 3–14 of Regulation S–X, "Special instructions for real estate operations to be acquired," has been amended to allow, under certain circumstances, presentation of one year of audited financial statements for individual properties acquired by the partnership, instead of three years, as was formerly required. To coordinate with the change in Rule 3–14 of Regulation S–X, Undertaking D in Item 21 of Guide 5 has been revised and a new Instruction 2(e) has been added to Item 7 of Form 8–K.

The Commission approved the publication of Guide 60 in March 1976.[3] The Guide was designed to reflect the experience of the Division of Corporation Finance in processing registration statements filed by real estate limited partnerships. It was published to minimize delay in the review of registration statements relating to real estate limited partnerships and to assist registrants, accountants, attorneys and others in the preparation of such filings. Securities issued by public real estate limited partnerships are registered pursuant to the Securities Act primarily on Form S–11 (17 CFR 239.18), which is specifically designed for such registrants.

The publication of revisions to Guide 5 and the amendment of related provisions is predicated on proposals published for comment in October 1981.[4] The Commission received twelve letters of comment on the Guide 60 release,[5] which generally were supportive of the proposed revisions. Accordingly, the Commission has determined to approve the publication of the Guide 5 revisions and to adopt the other rulemaking proposals substantially as proposed, except as described below. The Guide 60 Release contains extensive discussion of the issues involved in streamlining track record disclosure, as well as of the procedural mechanics of the new approach to track record disclosure under the revised Guide, which is not repeated herein. This release focuses on changes that have been made in the Guide 60 revisions as proposed. Attention is directed to the text of the Guide and rules for a more complete understanding.

[3] *See* Release Nos. 33–5465 (March 1, 1974) (30 FR 10278), 33–5692 (March 17, 1976) (41 FR 17374) and 33–5745 (September 27, 1976) (41 FR 43398). Guide 5 currently contains 21 Items, each addressing a separate aspect of disclosure for real estate offerings. These items include use of proceeds (Item 3 and Table 1), risk factors (Item 7) and Federal taxes (Item 12).

[4] Release No. 33–6354 (October 7, 1981) (46 FR 50553) (the "Guide 60 Release").

[5] The letters are available for public inspection and copying at the Commission's Public Reference Room. (*See* File No. S7–908.)

I. Time Periods Covered by the Prior Performance Tables [6]

The Guide 60 Release proposed to limit coverage of the prior performance tables to the most recent three years of a prior program with similar investment objectives sponsored by the general partner and affiliates rather than to the five years previously required. Several commentators urged the Commission to expand the amount of track record disclosure from the proposed three year standard in order to permit presentation of a more complete picture of prior program operating cycles. The commentators varied in their emphasis on the importance of specific tables and in their recommendations as to the number of years that the tables should cover. A number of commentators suggested that the success or failure of a program cannot be meaningfully measured in a three year period and suggested that Table III require disclosure for the most recently completed five year period. In addition, another commentator proposed that Table IV be expanded so that there generally would be at least several completed programs in Table IV for comparative purposes. Other commentators recommended that sponsors be permitted to include more prior program data in all of the tables—up to fifteen years in some cases—where necessary to present a complete description of prior program operating cycles.

In response to these comments, the proposed instructions to Table III (Operating Results of Prior Programs) have been changed to include programs closed [7] in the most recent five (rather than three) years. In addition, the proposed instructions to Table IV (Results of Completed Programs) have been changed to include programs completed [8] in the most recent five (rather than three) years. Retaining the five year coverage of these tables provides investors with a more complete picture of the financial operations of partnerships with the same sponsor over the existence of the programs. Moreover, it will permit sponsors to include information on a greater number of comparable prior programs without adding significant length to prospectuses. Tables I, II, V and VI retain the proposed three year coverage requirement.

[6] The Prior Performance Tables include: (I) Experience in Raising and Investing Funds; (II) Compensation to Sponsor; (III) Operating Results of Prior Programs; (IV) Results of Completed Programs; (V) Sales or Disposals of Properties; and (VI) Acquisitions of Properties by Programs. Tables I, II, V and VI have been adopted substantially as proposed.

[7] A program is "closed" after the partnership interests are sold to the public.

[8] Depending on the investment objective of the program, a program is "completed" when the partnership assets are liquidated and the partnership is wound down.

II. Changes in Guide 5 Items and Prior Performance Tables

A. Terms Used in Guide

The introduction to Guide 5 is being changed to note that, in the Guide, the term general partner and its affiliates is used interchangeably with the term sponsor. Both terms are intended to include references to the general partner(s), promoters of the partnership and all persons that, directly or indirectly, through one or more intermediaries, control or are controlled by, or are under common control with, such general partner(s) or promoters.

B. Table III

In response to comment, Table III is being changed to provide a more useful breakdown of "Taxable Income." That item is being supplemented by two subheadings—"from operations" and "from gain on sale."

III. Updating Requirements

The Commission recently adopted Rule 415 (17 CFR 230.415), which governs the delayed or continuous offering and sale of securities.[9] Since the offering of real estate limited partnership interests usually is done on a continuous basis, Rule 415 generally would apply to such offerings. Rule 415 requires registrants to undertake to follow the updating requirements of Item 512(a) of Regulation S–K (17 CFR 229.512(a)), which differ from those contained in Undertaking D of Item 21 of Guide 5.[10] Specifically, Item 512(a)(1)(ii) requires the filing of a post-effective amendment to the registration statement to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental

[9] *See* Release No. 33–6383 (March 3, 1982) (47 FR 11380, 11394).

[10] Understanding D of Item 21 of Guide 5 requires sponsors to file a prospectus supplement pursuant to Rule 424(c) (17 CFR 230.424(c)) during the distribution period describing each property that is acquired by the sponsor but that was not named in the prospectus. Sponsors must file a post-effective amendment consolidating the stickers at least once every three months. After the end of the distribution period, sposors are required to file a current report on Form 8–K (17 CFR 249.308) to reflect each commitment made to purchase property involving the use of ten percent or more (on a cumulative basis) of the net proceeds of the offering and to provide that information to limited partners at least once each quarter.

change in the information set forth in the registration statement. The Commission indicated in Release No. 33–6383 that "major changes in the issuer's operations, such as significant acquisitions or dispositions" could be construed as fundamental changes requiring the filing of a post-effective amendment.

The question of what facts or events constitute a fundamental change must, of course, remain a factual question, dependent on the circumstances of individual registrants. In the context of the typical real estate limited partnership, in which the ordinary course of business involves the acquisition of properties by the partnership, the Commission would not expect that an individual property acquisition in the ordinary course of business would be deemed a fundamental change necessitating the immediate filing of a post-effective amendment pursuant to Rule 415 if offers or sales are being made. On the other hand, the Commission believes that acquisition of one or more properties over time should be reflected on at least a quarterly basis in a post-effective amendment to the prospectus.[11] This interpretation is in accord with Undertaking D of Item 21 of Guide 5, which takes a similar approach to updating for property acquisitions. Therefore, by complying with Undertaking D, sponsors will satisfy the fundamental change post-effective amendment requirement of Item 512(a)(1)(ii).

Notwithstanding the above, sponsors are required to include all of the Item 512(a) undertakings in their registration statements, and must update their prospectuses in the event of other fundamental changes in accordance with Rule 415. As noted above, Undertaking D of Item 21 of Guide 5 contains additional updating requirements concerning property acquisitions with which registrants are expected to comply.

Statutory Authority. The Commission hereby authorizes the publication of the Guide 5 revisions and adopts the rulemaking actions set forth below pursuant to Sections 7, 10 and 19(a) of the Securities Act and Sections 13, 15(d) and 23(a) of the Securities Exchange Act of 1934 ("Exchange Act").

As required by Section 23(a) of the Exchange Act, the commission has specifically considered the impact that the rulemaking actions revising 17 CFR Parts 210 and 249, taken pursuant to the various provisions of the Exchange Act, would have on competition and has concluded that they would impose no significant burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.

Availability of Final Regulatory Flexibility Analysis. In accordance with 5 U.S.C. 604, the Commission has prepared a Final Regulatory Flexibility Analysis of the revisions to Guide 5 and amendments to related disclosure provisions. The corresponding Initial Regulatory Flexibility Analysis was included in the Guide 60 Release at 46 FR 50562. Members of the public who wish to obtain copies of the Final Regulatory Flexibility Analysis of the Guide 5 revisions and related amendments should contact William L. Larsen, Office of Disclosure Policy, Division of Corporation Finance, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 (202–272–2604).

List of Subjects in 17 CFR Parts 210, 231 and 249

Reporting requirements, Securities.

Text of Amendments

In accordance with the foregoing, Title 17, Chapter II, of the Code of Federal Regulations is amended as follows:

PART 210—FORM AND CONTENT OF AND REQUIREMENTS FOR FINANCIAL STATEMENTS, SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934, PUBLIC UTILITY HOLDING COMPANY ACT OF 1935, INVESTMENT COMPANY ACT OF 1940, AND ENERGY POLICY AND CONSERVATION ACT OF 1975

1. By revising paragraph (a)(1) of § 210.3–14 to read as follows:

§ 210.3–14 Special instructions for real estate operations to be acquired.

(a) * * *

(1) Audited income statements (not including earnings per unit) for the three most recent fiscal years, which shall exclude items not comparable to the proposed future operations of the property such as mortgage interest, leasehold rental, depreciation, corporate expenses and Federal and state income taxes: *Provided, however,* That such audited statements need be presented for only the most recent fiscal year if (i) the property is not acquired from a related party; (ii) material factors considered by the registrant in assessing the property are described with specificity in the filing with regard to the property, including sources of revenue (including, but not limited to, competition in the rental market, comparative rents, occupancy rates) and expense (including, but not limited to, utility rates, ad valorem tax rates, maintenance expenses, capital improvements anticipated); and (iii) the registrant indicates in the appropriate filing that, after reasonable inquiry, the registrant is not aware of any material factors relating to that specific property other than those discussed in response to paragraph (a)(1)(ii) of this section that would cause the reported financial information not to be necessarily indicative of future operating results.

Note.—The discussion of material factors considered should be combined with that required by Item 15 of Form S–11.

* * * * *

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

2. By revising Items 1, 3B, 8, 9, 13 and 21D; by redesignating Table I as Appendix I; and by removing Table II and adding Appendix II to Guide 5 of the Securities Act of 1933 Industry Guides to read as follows:

Guide 5—Preparation of Registration Statements Relating to Interests in Real Estate Limited Partnerships.

References to the General Partner and its affiliates, also referred to as sponsors, are intended to include references to the General Partner(s), promoters of the partnership, and all persons that, directly or indirectly, through one or more intermediaries, control or are controlled by, or are under common control with, such General Partner(s) or promoters.

* * * * *

1. Cover Page

* * * * *

D. The cover page also should contain brief identification of the material risks involved in the purchase of the securities with cross-reference to further discussion in the prospectus. The most significant risk factors should be identified where applicable, for example:

* * * * *

3. Summary of the Partnership and Use of Proceeds

* * * * *

B. *Use of Proceeds.* The use of proceeds tabular summary will vary according to the partnership but should include, where appropriate, estimates of the public offering expenses (both organizational and sales), the amount available for investment, nonrecurring initial investment fees, prepaid items and financing fees, cash down payments, reserves, and acquisition fees including those paid by the seller. Estimated amounts to be paid to the General Partner and its affiliates should be identified. The

[11] *See* Release No. 33–6383, *supra*, at Note 79, wherein the Commission states that "numerous small changes to information in the registration statement can become cumulatively fundamental."

summary should include both dollar amounts and percentages of the maximum and minimum proceeds of the offering. Inclusion of percentages of the estimated maximum and minimum total assets is optional. An example of a summary of Use of Proceeds is attached as Appendix I, but the summary will vary according to the circumstances.

* * * * *

8. Prior Performance of the General Partner and Affiliates

A narrative summary of the "track record" or prior performance of programs sponsored by the General Partner and its affiliates containing the information set forth below should be included in the text of the prospectus. Tables following the format of those in Appendix II, relating to historical use of proceeds of prior programs, compensation to the sponsors, operations of prior programs, and acquisitions and sales of properties by prior programs, should be included at the back of the prospectus or in Part II of the registration statement as specified in paragraph B "Prior Performance Tables" hereunder.

Sponsors are urged not to include in the prospectus information about prior performance beyond that required by this Guide except for such further material information as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.

Terms used in the Guide. "Public" programs include all offerings registered under the Securities Act of 1933, all programs required to report under Section 15(d) of the Securities Exchange Act of 1934 ("Exchange Act"), all programs with a class of equity securities registered pursuant to Section 12 of the Exchange Act, and all other programs with at least 300 security holders of record that initially raised at least $1 million.

Programs with "similar investment objectives" are those with similar objectives as set forth in the prospectus. Generally, the sponsor has the responsibility to determine which previous programs had "similar investment objectives," taking into consideration the materiality of information about the prior programs in analyzing the registrant's proposed activities.

A sponsor would be considered to have a "public track record" if it has sponsored at least three programs with investment objectives similar to those of the registrant that file reports under Section 13(a) or Section 15(d) of the Exchange Act and at least two public programs with investment objectives similar to those of the registrant that had three years of operations after investment of 90% of the amount available for investment. In addition, at least two of the public offerings for programs with investment objectives similar to those of the registrant must have closed in the previous three years.

A. *Narrative Summary.* 1. The narrative summary in the text of the prospectus should include a description of the sponsor's experience in the last ten years with all other programs, both public and nonpublic, that have invested primarily in real estate, regardless of the investment objectives of the programs. This summary should include at least (a) the number of programs sponsored, (b) the total amount of money raised from investors, (c) the total number of investors, (d) the number of properties purchased and location by region, (e) the aggregate dollar amount of property purchased, (f) the percentage (based on purchase prices rather than on number) of properties that are commercial (broken out by shopping centers, office buildings and others) and residential, (g) the percentage (based on purchase prices) of new, used or construction properties, and (h) the number of properties sold. Aggregate figures should be presented separately for public and nonpublic programs. In addition, the narrative should indicate the approximate percentage of the overall data that represents activities of programs with investment objectives similar to those of the registrant. The summary also should cross-reference the prior performance tables.

2. The narrative summary should include a discussion of those major adverse business developments or conditions experienced by any prior program, either public or nonpublic, that would be material to investors in this program. The narrative summary also should include a cross-reference to further information that may be found in Appendix II as part of Table III.

3. The narrative summary should include a list of all prior public programs sponsored by the General Partner and its affiliates and an undertaking to provide upon request, for no fee, the most recent Form 10–K Annual Report filed with the Commission by any prior public program that has reported to the Commission within the last twenty-four months and to provide, for a reasonable fee, the exhibits to each such Form 10–K.

4. The narrative summary should include a summary of acquisitions of properties by programs in the most recent three years as set forth in Table VI of Appendix II. The summary should include the number of properties purchased, the type, location and method of financing. Reference should be made to the more detailed description of these acquisitions in Part II of the registration statement, and the registrant should undertake to provide the more detailed description from Part II without fee upon request.

B. *Prior Performance Tables.* The information required by the tables set forth in Appendix II should be included in the format shown. Tables should appear at the back of the prospectus except for Table VI, which should appear only in Part II of the registration statement. The instructions to the tables specify the programs and time periods about which information is required.

9. Management

* * * * *

D. The amount of, and reason for, any contingent liabilities of the General Partner and its affiliates with regard to prior programs now in existence should be disclosed. If this information appears in the financial statements it may be incorporated hereunder by reference.

* * * * *

13. Glossary

If terms are used in the prospectus that are technical in nature or are susceptible to varying methods of computation, e.g., acquisition fees, book value, capital contribution, cash flow, cash available for distribution, construction fees, cost of property, development fee, net worth, organization and offering expenses, profit, partnership management fee and property management fee, definitions should be provided. For purposes of uniformity, it is suggested that these definitions conform to those that appear in the Statement of Policy Regarding Real Estate Programs of the North American Securities Administrators Association, or that any variations, and the economic effect thereof, be disclosed.

* * * * *

21. Undertakings

* * * * *

D. The following undertakings relating to investment of the proceeds of an offering in which a material portion of the maximum net proceeds (allowing for reasonable reserves) is not committed (i.e., subject to a binding purchase agreement) to specific properties should be included in the registration statement:

The registrant undertakes to file a sticker supplement pursuant to Rule 424(c) under the Act during the distribution period describing each property not identified in the prospectus at such time as there arises a reasonable probability that such property will be acquired and to consolidate all such stickers into a post-effective amendment filed at least once every three months, with the information contained in such amendment provided simultaneously to the existing Limited Partners. Each sticker supplement should disclose all compensation and fees received by the General Partner(s) and its affiliates in connection with any such acquisition. The post-effective amendment shall include audited financial statements meeting the requirements of Rule 3–14 of Regulation S–X only for properties acquired during the distribution period.

The registrant also undertakes to file, after the end of the distribution period, a current report on Form 8–K containing the financial statements and any additional information required by Rule 3–14 of Regulation S–X, to reflect each commitment (i.e., the signing of a binding purchase agreement) made after the end of the distribution period involving the use of 10 percent or more (on a cumulative basis) of the net proceeds of the offering and to provide the information contained in such report to the Limited Partners at least once each quarter after the distribution period of the offering has ended.

Note—Offers and sales of the interests may continue after the filing of a post-effective amendment containing information previously disclosed in sticker supplements to the prospectus, as long as the information disclosed in a current sticker supplement accompanying the prospectus is as complete as the information contained in the most recently filed post-effective amendment.

* * * * *

APPENDIX I—Example of Summary of the Use of Proceeds Section

* * * * *

APPENDIX II—Prior Performance Tables

Instructions to Appendix II

1. The prior performance tables should be preceded by a narrative introduction that cross-references the narrative summary in the text, explains the significance of the track record and the tables, explains where additional information (Part II of the registration statement or Form 10–K Annual Reports for prior programs) can be obtained on request and includes a glossary of terms used in the tables.

This introduction also should include a discussion of the factors the sponsor considered in determining which previous programs had "similar investment objectives" to those of the registrant.

2. Each of the tables should be introduced by a brief narrative explaining the objective of the table and what it covers so that the investor will be able to understand the significance of the information presented. There also should be set forth with or in each table any further material information that may be necessary to make the required tabular data, in light of the circumstances under which it is presented, not misleading.

Table I. Experience in Raising and Investing Funds (on a percentage basis)

Instructions: 1. Include information only for programs the offering of which closed in the most recent three years.

2. Sponsors with a "public track record" should include information relating only to public programs with investment objectives similar to those of the registrant.

3. If the sponsor does not have a "public track record," information must be given for each prior program, public or nonpublic, with investment objectives similar to those of the registrant. If the sponsor has not sponsored at least five such programs, then information must be given for each prior program, public or nonpublic, even if the investment objectives for those programs are not similar to those of the registrant. In that case, nonpublic programs with investment objectives that are not similar to those of the registrant should be grouped together according to investment objectives and information about those programs presented on an aggregate basis by year. If so presented, the number of programs that have been aggregated should be disclosed. The sponsor also should indicate by note if the investment objectives of any program are not similar to those of the registrant and should briefly describe those investment objectives.

	Program X	Program Y
Dollar amount offered		
Dollar amount raised (100%)		
Less offering expenses:		
Selling commissions and discounts		
Retained by affiliates		
Organizational expenses		
Other (explain)		
Reserves		
Percent available for investment		
Acquisition costs:		
Prepaid items and fees related to purchase of property		
Cash down payment		
Acquisition fees		
Other (explain)		
Total acquisition cost		
Percent leverage (mortgage financing divided by total acquisition costs)		
Date offering began		
Length of offering (in months)		
Months to invest 90% of amount available for investment (measured from beginning of offering)		

Table II. Compensation to Sponsor

Instructions: 1. Include in a separate column for each program aggregate payments made to the sponsor only by real estate programs the offering of which closed in the most recent three years. Include in another separate column aggregate payments to the sponsor in the most recent three years from all other programs and indicate the number of programs involved.

2. Sponsors with a "public track record" should include information relating only to public programs with investment objectives similar to those of the registrant.

3. If the sponsor does not have a "public track record," information must be given for each prior program, public or nonpublic, with investment objectives similar to those of the registrant. If the sponsor has not sponsored at least five such programs, then information must be given for each prior program, public or nonpublic, even if the investment objectives for those programs are not similar to those of the registrant. In that case, nonpublic programs with investment objectives that are not similar to those of the registrant should be grouped together according to investment objective and information about those programs presented on an aggregate basis by year. If so presented, the number of programs that have been aggregated should be disclosed. The sponsor also should indicate by note if the investment objectives of any program are not similar to those of the registrant and should briefly describe those investment objectives.

4. The table should include any real estate commissions and other fees paid to the sponsor in connection with the acquisition or disposition of any properties by the program by entities other than the program itself.

Type of compensation	Program X	Program X	Other programs
Date offering commenced			
Dollar amount raised			
Amount paid to sponsor from proceeds of offering:			
Underwriting fees			
Acquisition fees			
—real estate commissions			
—advisory fees			
—other (identify and quantify)			
Other			
Dollar amount of cash generated from operations before deducting payments to sponsor			
Amount paid to sponsor from operations:			
Property management fees			
Partnership management fees			
Reimbursements			
Leasing commissions			
Other (identify and quantify)			
Dollar amount of property sales and refinancing before deducting payments to sponsor:			
—cash			
—notes			
Amount paid to sponsor from property sales and refinancing:			
Real estate commissions			
Incentive fees[1]			
Other (identify and quantify)			

[1] Explain subordinated commissions in a note.

Table III. Operating Results of Prior Programs

Instructions: 1. Include information only for programs the offerings of which closed in the most recent five years. Financial data for each progrm should be presentd separately for each year.

2. Sponsors with a "public track record" should include information relating only to public programs with investment objectives similar to those of the registrant.

3. If the sponsor does not have a "public track record," information must be given for each program, public or nonpublic, with investment objectives similar to those of the registrant. If the sponsor has not sponsored at least five such programs, the information must be given for each prior program, public or nonpublic, even if the investment objectives for these programs are not similar to those of the registrant. In that case, nonpublic programs with investment objectives that are not similar to those of the registrant should be grouped together according to investment objective and information about those programs presented on an aggregate basis by year. If so presented, the number of programs that have been aggregated should be disclosed. The sponsor also should indicate by note if the investment objectives of any program are not similar to those of the registrant and should briefly describe those investment objectives.

4. Information should be presented on the basis of generally accepted accounting principles ("GAAP") where indicated. However, where information about nonpublic programs is required to be included, such information may be presented on a tax basis if the program's books have not been kept on a GAAP basis. If there are any significant differences in operating results between accounting on a tax and GAAP basis, they should be explained. This explanation should provide the reader with any additional information about the particular programs presented that may be necessary to make the information contained in the Table not materially misleading in light of the

circumstances under which the information is given.

	Program X		
	Year 1	Year 2	Year 3
Gross Revenues			
Profit on sale of properties			
Less:			
Operating expenses			
Interest expenses			
Depreciation			
Net Income—GAAP Basis			
Taxable Income:			
—from operations			
—from gain on sale			
Cash generated from operations [1]			
Cash generated from sales			
Cash generated from refinancing			
Cash generated from operations, sales and refinancing			
Less: Cash distribution to investors:			
—from operating cash flow			
—from sales and refinancing			
—from other			
Cash generated (deficiency) after cash distributions			
Less: Special items (not including sales and refinancing) (identity and quantity)			
Cash generated (deficiency) after cash distributions and special items			
Tax and Distribution Data Per $1000 Invested			
Federal Income Tax Results:			
Ordinary income (loss)			
—from operators			
—from recapture			
Capital gain (loss)			
Cash Distributions to Investors:			
Source (on GAAP basis):			
—Investment income			
—Return of capital			
Source (on cash basis):			
—Sales			
—Refinancing			
—Operations			
—Other			
Amount (in percentage terms) remaining invested in program properties at the end of the last year reported in the Table (original total acquisition cost of properties retained divided by original total acquisition cost of all properties in program)			

[1] Indicate in a note what amount is from sources other than operations, such as guaranteed rents or interest.

Table IV. Results of Completed Programs

Instructions: 1. Include programs that have completed operations (no longer hold properties) in the most recent five years, even if they still hold notes.

2. Sponsors with a "public track record" should include information relating only to public programs with investment objectives similar to those of the registrant.

3. If the sponsor does not have a "public track record," information must be given for each prior program, public or nonpublic, with investment objectives similar to those of the registrant. If the sponsor has not sponsored at least five such programs, then information must be given for each prior program, public or nonpublic, even if the investment objectives for those programs are not similar to those of the registrant. In that case, nonpublic programs with investment objectives that are not similar to those of the registrant should be grouped together according to investment objective and information about those programs presented on an aggregate basis by year. If so presented, the number of programs that have been aggregated should be disclosed. The sponsor also should indicate by note if the investment objectives of any program are not similar to those of the registrant and should briefly describe those investment objectives.

Program Name
- Dollar Amount Raised
- Number of Properties Purchased
- Date of Closing of Offering
- Date of First Sale of Property
- Date of Final Sale of Property

Tax and Distribution Data Per $1000 Investment Through . . .
- Federal Income Tax Results:
  - Ordinary income (loss)
    - —from operations
    - —from recapture
  - Capital Gain (loss)[1]
  - Deferred Gain[2]
    - Capital
    - Ordinary

Cash Distributions to Investors
- Source (on GAAP basis)
  - —Investment income
  - —Return of capital
- Source (on cash basis)
  - —Sales
  - —Refinancing
  - —Operations
  - —Other

Receivable on Net Purchase Money Financing [3]

[1] Note 60 percent capital gain exclusion.
[2] Explain in a note deferred capital gain.
[3] Explain in a note the terms of notes taken back and annual payments, and the fact that the amounts presented are face amounts and do not represent discounted current value.

Table V. Sales or Disposals of Properties

Instructions: 1. Include all sales or disposals of property by programs with similar investment objectives within the most recent three years.

2. Sponsors with a "public track record" should only include information relating to public programs. If the sponsor does not have a "public track record," then information should be given about sales or disposals of properties by public and nonpublic programs. Where properties held by nonpublic programs are included, information should be on a GAAP basis where feasible without undue effort or expense.

Property	Date acquired	Date of sale [1]	Selling price, net of closing costs and GAAP adjustments					Cost of properties including closing and soft costs			Excess (deficiency) of property operating cash receipts over cash expenditures [6]
			Cash received net of closing costs	Mortgage balance at time of sale	Purchase money mortgage taken back by program [2]	Adjustments resulting from application of GAAP [3]	Total [4]	Original mortgage financing	Total acquisition cost, capital improvement, closing and soft costs [5]	Total	

[1] Note if sales of properties are to related parties.
[2] Indicate in a note that the amounts shown are face amounts and do not represent discounted current value. In addition, describe the terms of purchase money mortgages taken back by the partnership, including the interest rate, any balloon payment requirements and other special provisions. Also, describe those sales made with a leaseback or any other guarantees which require continued seller involvement.
[3] Include an explanation of any GAAP adjustments.
[4] Note the allocation of the taxable gain between ordinary and capital, and identify those sales that are being reported for tax purposes on the installment basis.
[5] Identify real estate commissions earned but not taken. Indicate that the amounts shown do not include pro rata share of original offering costs.
[6] Do not include amounts otherwise included under "Selling Price, Net of Closing Costs and GAAP Adjustments" or "Cost of Properties Including Closing and Soft Costs". Costs incurred in the administration of the partnership not related to the operation of properties need not be included if so indicated in a note to the Table.

Table VI. Acquisitions of Properties by Programs

Instructions: 1. Include the following table only in Part II of the registration statement.

2. Include all properties acquired by any prior programs with similar investment objectives in the most recent three years.

3. Sponsors with a "public track record" should only include information relating to public programs. If the sponsor does not have a "public track record," then information should be given about properties acquired by public and nonpublic programs.

Program X

Name, location, type of property
- Gross leasable space (sq. ft.) or number of units and total square feet of units
- Date of purchase
- Mortgage financing at date of purchase
- Cash down payment
- Contract purchase price plus acquisition fee
- Other cash expenditures expensed

Other cash expenditures capitalized
Total acquisition cost

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

3. By adding Instruction 2(e) to Item 7 of § 249.308 to read as follows:

§ 249.308 Form 8–K, for current reports.

* * * * *

Item 7. Financial Statements and Exhibits.

List below the financial statements and exhibits, if any, filed as part of this report.

(a) * * *

Instructions.

* * * * *

2. * * *

(e) With regard to the acquisition of one or more real estate properties, the financial statements and any additional information specified by Rule 3–14 of Regulation S–X shall be filed.

* * * * *

(Secs. 7, 10, 19(a), 48 Stat. 78, 81, 85; secs. 205, 209, 48 Stat. 906, 908; sec. 8, 68 Stat. 685; sec. 308(a)(2), 90 Stat. 57; secs. 13, 15(d), 23(a), 48 Stat 894, 895, 901; sec. 203(a), 49 Stat. 704; secs. 3, 8, 49 Stat. 1377, 1379; secs. 4, 6, 78 Stat. 570–574; sec. 2, 82 Stat. 454; secs. 1, 2, 84 Stat. 1497; secs. 10, 18, 89 Stat. 119, 155; sec. 308(b), 90 Stat. 57; secs. 202–204, 91 Stat. 1494, 1498–1500; 15 U.S.C. 77g, 77j, 77s(a), 78m, 78o(d), 78w(a))

By the Commission.

George A. Fitzsimmons,

Secretary.

June 3, 1982.

[FR Doc. 82–15747 Filed 6–9–82; 8:45 am]

BILLING CODE 8010–01–M

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17 CFR Parts 229 and 239

[Release No. 33–6406]

Revisions to the Optional Form for the Registration of Securities To Be Sold to the Public by the Issuer for an Aggregate Cash Price Not To Exceed $5,000,000

AGENCY: Securities and Exchange Commission.

ACTION: Final rules.

SUMMARY: The Commission announces the adoption of amendments to Form S–18, a simplified registration form under the Securities Act of 1933, which expand the Form's availability to non-corporate registrants and registrants engaged, or to be engaged, in oil and gas related operations; amend several disclosure items to conform with the adoption of the integrated disclosure system; and modify the financial statement requirements to reflect recent revisions to the financial information requirements in Commission filings.

EFFECTIVE DATE: July 8, 1982. Registrants are permitted to comply voluntarily with the revised Form S–18 requirements June 10, 1982.

FOR FURTHER INFORMATION CONTACT: Suzanne S. Brannan, (202) 272–2644, Office of Small Business Policy, Division of Corporation Finance, Securities and Exchange Commission, Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION: On March 8, 1982, the Commission published for comment proposed amendments to Form S–18 (17 CFR 230.28), a simplified registration form under the Securities Act of 1933 (15 U.S.C. 77a, *et seq.*) (the "Securities Act"), to expand the availability of the Form to non-corporate registrants, and registrants engaged, or to be engaged, in oil or gas related operations.[1] In addition, in view of the adoption of the integrated disclosure system[2] which eliminates the Securities Act Registration Guides for the Preparation and Filing of Registration Statements and Reports ("Guides"), other than certain Industry Guides, and revises Regulation S–K (17 CFR 229.1) and Regulation C (17 CFR 230.400 *et seq.*), the Commission proposed numerous conforming amendments to the Form. Specifically, several disclosure items of the Form would be amended to reference items in Regulation S–K, the repository of uniform content requirements for filings under both the Securities Act, and the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (the "Exchange Act").[3] Finally, the proposals would revise the financial statement requirements of Form S–18 to reflect recent modifications to the financial information requirements in Commission filings.

Pursuant to the Commission's request for comment, six letters were received.[4] All of the commentators favored expansion of the availability of the Form to additional types of registrants; however, five of the commentators offered suggestions as to changes in the proposed revisions. Based upon the comments received, and its own experience, the Commission has determined to adopt the proposals substantially as published for comment. A description of the changes from the proposed revisions follows.

[1] Release No. 33–6388 (March 8, 1982) (47 FR 11288).

[2] Release Nos. 33–6383 to 33–6385 (March 3, 1982) (47 FR 11380).

[3] Release No. 33–6388 contains a detailed chart reflecting where the disclosure requirements of Form S–18 are being relocated in Regulation S–K.

[4] The letters are available for public inspection and copying at the Commission's Public Reference Room. (*See* File No. S7–924).

I. General Instructions

A. Paragraph A. of General Instruction I has been revised to provide that payment methods involving installments, assessments and assumptions by partners of partnership debt, which are commonly utilized in limited partnership offerings, will be permitted under the Form.[5]

B. The Commission has deleted the language in General Instruction I.E. which provided that Form S–18 could be used for the registration of securities to be offered on a delayed or continuous basis only where the registration statement related to the specifically prescribed securities enumerated in the referenced paragraphs of Rule 415. The Commission will consider whether any limitation is necessary in light of experience with the revised Form S–18.[6]

C. The Commission has added language to General Instruction III., Application of General Rules and Regulations, directing the attention of registrants engaged in real estate operations to relevant disclosure items in Form S–11, the special form for registration of interests in certain real estate companies. Several of the items, such as Item 9 (Investment Policies of Entities Acquiring Specified or Unspecified Properties), Item 10 (Description of Real Estate Acquired by Entities Acquiring Specified Properties) and Item 11 (Operating Data of Entities Acquiring Specified Properties), provide for specific disclosures tailored to the real estate industry. To the extent that these items offer enhanced guidelines for disclosure concerning real estate enterprises, registrants may wish to

[5] Consistent with present staff policy, assessments are to be counted as part of the aggregate offering price, despite payment at a later time, in computing the $5 million offering ceiling limitation.

[6] Item 26 of revised Form S–18, as well as Rule 415(a)(2), reference Item 512 of Regulation S–K (17 CFR 229.512), paragraph (a)(1)(ii) of which requires the filing of a post-effective amendment to the registration statement to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. The Commission directs the attention of registrants engaged in real estate operations to the discussion of updating requirements contained in Release No. 33–6405, Publication of Revisions to the Division of Corporation Finance's Guide 5 and Amendments of Related Disclosure Provisions, adopted in conjunction with this release (June 3, 1982) (appearing in this issue of the Federal Register). The Commission has concluded that compliance with the specific provisions of Undertaking D of Guide 5 by sponsors of real estate limited partnership offerings will satisfy the fundamental change post-effective amendment requirements of Item 512(a)(1)(ii).

consider these items for use in a Form S–18 offering.

II. Part I—Narrative Information Required in Prospectus, Part II—Information Not Required in Prospectus, and Undertakings

A. In view of the adoption of Item 19 (Market Information) and Item 25 (Exhibits), both of which cross-reference corresponding items in Regulation S–K, Item 201(a)(2) (Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters) of Regulation S–K has been amended to reference Form S–18 registration statements, and a Form S–18 column has been added to the Item 601 (Exhibits) table of Regulation S–K to designate the exhibits required to be filed with the Form.

B. Item 20 (Remuneration of Directors and Officers) has been amended to clarify that the period of time for which the $50,000 remuneration figure in subparagraph (a) is to be measured is the registrant's most recent fiscal year.

III. Part I—Financial Information Required in Prospectus.

A. The Commission has adopted a change in Item 21(b)(1) permitting registrants which have been in existence for less than one fiscal year to file an audited balance sheet within 135 days, rather than 90 days, of filing its registration statement.

B. Items 21(b), (c) and (f) have been revised to add language indicating that interim financials may be presented in condensed form.

C. Items 21(d) and (e), as proposed, tracked proposed revisions to Rules 3–07 and 3–08 of Regulation S–X, with certain modifications.[7] Since these proposals have not yet been adopted, the Commission has decided to retain the language contained in Items 15(c) and (d) in new Items 21(d) and (e). If the revisions to Regulation S–X are adopted, the Commission will consider amendments to Form S–18 to conform it to the Regulation S–X language.

D. The Commission has clarified Item 21(h)(4) to indicate that the "net worth" of an individual general partner shall be based on the estimated fair market value of the assets and liabilities of such general partner.

IV. Statutory Authority and Findings

The Commission hereby adopts the rulemaking actions set forth below pursuant to the following statutory authority. The actions revising 17 CFR Parts 229 and 239 are adopted pursuant to the authority in Sections 6, 7, 8, 10 and 19(a) of the Securities Act of 1933.

(Secs. 6, 7, 8, 10 and 19(a), 48 Stat. 78, 79, 81, 85; secs. 205, 209, 48 Stat. 906, 908; sec. 301, 54 Stat. 857; sec. 8, 68 Stat. 685; sec. 1, 79 Stat. 1051; sec. 308(a)(2), 90 Stat. 57; 15 U.S.C. 77f, 77g, 77h, 77j, 77s(a))

V. Availability of Final Regulatory Flexibility Analysis With Regard to Form S–18

In accordance with 5 U.S.C. 604, the Commission has prepared a final Regulatory Flexibility Analysis with regard to Form S–18. A summary of the corresponding Initial Regulatory Flexibility Analysis was included in the release proposing revisions to Form S–18 at 47 FR 11291. Members of the public who wish to obtain copies of the Final Regulatory Flexibility Analysis of the Form S–18 revisions should contact Suzanne S. Brannan, Office of Small Business Policy, Division of Corporation Finance, Securities and Exchange Commission, Washington, D.C. 20549 (202/272–2644).

List of Subjects in 17 CFR Parts 229 and 239

Reporting requirements, Securities.

Text of Forms and Regulations

In accordance with the foregiong, Title 17, Chapter II of the Code of Federal Regulations is amended as follows:

[7] Release No. 6350 (September 24, 1981) [46 FR 46943].

PART 229—STANDARD INSTRUCTIONS FOR FILING FORMS UNDER SECURITIES ACT OF 1933 AND SECURITIES EXCHANGE ACT OF 1934—REGULATION S–K

Revision 1

Revise § 229.201(a)(2) to read as follows:

§ 229.201 (Item 201) Market price of and dividends on the registrant's common equity and related stockholder matters.

(a) * * *

(2) If the information called for by this paragraph (a) is being presented in a registration statement on Form S–1 (§ 239.11 of this chapter) or Form S–18 (§ 239.28 of this chapter) under the Securities Act or on Form 10 (§ 249.210 of this chapter) under the Exchange Act relating to a class of common equity for which at the time of filing there is no established United States public trading market, indicate the amount(s) of common equity (i) that is subject to outstanding options or warrants to purchase, or securities convertible into, common equity of the registrant; (ii) that could be sold pursuant to Rule 144 under the Securities Act [§ 230.144 of this chapter] or that the registrant has agreed to register under the Securities Act for sale by security holders; or (iii) that is being, or has been publicly proposed to be, publicly offered by the registrant (unless such common equity is being offered pursuant to an employee benefit plan or dividend reinvestment plan), the offering of which could have a material effect on the market price of the registrant's common equity.

* * * * *

Revision 2

Revise § 229.601(a) to read as follows:

§ 229.601 (Item 601) Exhibits.

(a) * * *

EXHIBIT TABLE

	Securities Act forms								Exchange Act forms			
	S–1	S–2	S–3	S–8	S–11	S–14	S–15	S–18	10	8–K	10–Q	10–K
(1) Underwriting agreement	X	X	X		X	X		X		X		
(2) Plan of acquisition, reorganization, arrangement, liquidation or succession.	X	X	X		X	X	X		X	X	X	
(3) Articles of incorporation and by-laws	X				X	X		X	X			X
(4) Instruments defining the rights of security holders, including indentures.	X	X	X	X	X	X	X	X	X	X	X	X
(5) Opinion re legality	X	X	X	X	X	X	X	X				
(6) Opinion re discount on capital shares	X	X			X	X		X	X			
(7) Opinion re liquidation preference	X	X			X	X		X	X			
(8) Opinion re tax matters	X	X	X		X	X	X	X				
(9) Voting trust agreement	X				X	X		X	X			X
(10) Material Contracts	X	X			X	X	X	X	X			X

EXHIBIT TABLE—Continued

	Securities Act forms								Exchange Act forms			
	S-1	S-2	S-3	S-8	S-11	S-14	S-15	S-18	10	8-K	10-Q	10-K
(11) Statement re computation of per share earnings	X	X			X	X			X		X	X
(12) Statements re computation of ratios	X	X	X		X	X	X		X			X
(13) Annual report to security holders, Form 10-Q or quarterly report to security holders [1]		X					X					X
(14) Material foreign patents	X					X		X	X			
(15) Letter re unaudited interim financial information	X	X	X	X	X	X	X	X			X	
(16) Letter re change in certifying accountant										X		
(17) Letter re director resignation										X		
(18) Letter re change in accounting principles											X	X
(19) Previously unfiled documents											X	X
(20) Report furnished to security holders											X	
(21) Other documents or statements to security holders										X		
(22) Subsidiaries of the registrant	X				X				X			X
(23) Published report regarding matters submitted to vote of security holders.											X	X
(24) Consents of experts and counsel	X	X	X	X	X	X	X	X		X [2]	X [2]	X [2]
(25) Power of attorney	X	X	X	X	X	X	X	X	X	X	X	X
(26) Statement of eligibility of trustee	X	X	X		X	X	X	X				
(27) Invitations for competitive bids	X	X	X					X				
(28) Additional exhibits	X	X	X	X	X	X	X	X	X	X	X	X

[1] Where incorporated by reference into the test of the prospectus as permitted by the registration statement.
[2] Where incorporated by reference into a previously filed Securities Act registration statement.

* * * * *

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

By amending the registration statement on Form S–18 as set forth below:

§ 239.28 Form S–18, optional form for the registration of securities to be sold to the public by the issuer for an aggregate cash price not to exceed $5,000,000.

Revision 3

The Cover Page of, and General Instructions to, Form S–18 are revised to read as follows:

SECURITIES AND EXCHANGE COMMISSION

Form S–18

Registration Statement Under the Securities Act of 1933

(Exact name of registrant as specified in its charter)

(State or other jurisdiction of incorporation or organization)

(Primary Standard Industrial Classification Code Number)

(I.R.S. Employer Identification No.)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

(Address of principal place of business or intended principal place of business)

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public———

CALCULATION OF REGISTRATION FEE

Title of each class securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.*

GENERAL INSTRUCTIONS

I. Rule as to Use of Form S–18

A. This form is to be used for the registration of securities not to exceed an aggregate offering price of $5 million which are to be sold for cash, installments for cash and/or cash assessments and assumptions by partners of partnership debt, by the registrant, or for the account of security holders in accordance with paragraph B, provided such registrant:

(1) Is organized under the laws of the United States or Canada or any State or Province thereof, and has or proposes to have its principal business operations in the United States, if a domestic issuer, or Canada or the United States if a Canadian issuer;

(2) Is not subject to the reporting provisions of the Securities Exchange Act of 1934 pursuant to Sections 12 or 15(d) of that Act;

(4) Is not an insurance company which is exempt from the provisions of Section 12 of the Securities Exchange Act of 1934 in reliance upon Section 12(g)(2)(G) thereof; and

(5) Is not a majority owned subsidiary of a registrant which does not meet the qualifications for use of the form, as specified herein.

B. This form may be used for the registration of securities to be sold for the account of any person other than the registrant, *Provided:* (i) The aggregate offering price of such securities does not exceed $1.5 million and (ii) the aggregate offering price of such securities together with the aggregate offering price of any securities to be sold by the registrant does not exceed $5 million.

C. For purposes of computing the $5 million ceiling specified above, there shall be included in the aggregate offering price of the securities registered herein, the aggregate offering price of all securities sold: (i) By the registrant within one year prior to the commencement of the proposed offering in violation of Section 5(a) of the Securities Act; (ii) by the registrant within one year prior to the commencement of the proposed offering pursuant to a registration statement filed on Form S–18; and (iii) which would be deemed integrated with the proposed offering. (*See;* Securities Act Release No. 4552 (November 6, 1962) [27 FR 11316].) In computing the $5 million ceiling, the aggregate price of all securities sold which fall in more than one of the above described categories need be counted only once.

D. Notwithstanding the provisions of paragraph (A)(2), a registrant which has had a prior offering on Form S–18 may, during the remainder of the fiscal year in which the prior registration statement was made effective, use the form to register additional securities until the offering limit as computed in paragraph C has been met.

II. Place of Filing

A. At the election of the registrant, all registration statements on Form S–18 and related papers filed with the Commission shall be filed either at its principal office in

*Inclusion of this paragraph is optional. See Rule 473. (Each page of this document, including exhibits and attachments, shall be numbered sequentially from this page, as page 1, through the last page of the document.)

Washington, D.C. or in the Regional Office for the region in which the registrant's principal business operations are conducted, or are proposed to be conducted. The registration statement of any registrant having or proposing to have its principal business operations in Canada may be filed with the Regional Office nearest the place where the registrant's principal business operations are conducted, or are proposed to be conducted; *Provided, however,* That if the offering is to be made through a principal underwriter located in the United States, the offering statement may be filed with the Regional Office for the region in which such underwriter has it principal office. Such material may be filed by delivery to Commission through the mails or otherwise. Questions concerning the appropriate place of filing may be directed to the Commission's Regional Offices.

B. The Commission will endeavor to process Form S–18 registration statements at the place of filing. However, due to workload or other special consideration, the Commission may refer processing to a different Commission office.

C. All post-effective amendments to the Form S–18 registration statement shall be filed in the office where the corresponding Form S–18 registration statement was declared effective.

III. Application of General Rules and Regulations

A. Attention is directed to the General Rules and Regulations under the Act, particularly those comprising Regulation C (17 CFR 230.400 to 230.494), which contains general requirements regarding the preparation and filing of a registration statement.

B. Attention is directed to Rule 463 (17 CFR 230.463) and Form SR (17 CFR 239.61) which is required to be filed by first-time registrants under the Securities Act showing sales of registered securities and the use of proceeds therefrom. Form SR shall be filed at the same office where the registration statement was declared effective.

C. Attention is directed to Regulation S–K (17 CFR 229.001–229.800) for the requirements relating to registration statement content. Where this form specifically references an item within that Regulation, the information need only be furnished to the extent appropriate. Special attention also is directed to paragraphs (c) and (d) of § 229.001 of Regulation S–K which outline the Commission's policies on projections and securities ratings, respectively.

D. Attention is directed to disclosure provisions set forth in the Industry Guides which are listed in § 229.800 of Regulation S–K (17 CFR 229.800). These Industry Guides represent Division practices with respect to the disclosure to be provided by the affected industries in registration statements.

E. Attention is directed to Rule 15c2–8 [17 CFR 240.15c2–8] regarding prior delivery of preliminary prospectuses by registrants not subject to the reporting requirements of the Exchange Act.

F. Attention is directed to Form S–11, particularly Items 9, 10, and 11 contained therein, which require specific narratives tailored for the real estate industry. To the extent that these items offer enhanced guidelines for disclosure on real estate entities, registrants may wish to consider these items for use in a Form S–18 offering.

Revision 4

Part I of Form S–18 is amended by removing existing Item 1 (Distribution Spread), Item 2 (Plan of Distribution), Item 3 (Use of Proceeds to Registrant), Item 5 (Capital Structure), Item 8 (Legal Proceedings), Item 9 (Directors and Officers), Item 12 (Security Ownership of Certain Beneficial Owners and Management) and Item 14 (Securities Being Registered) and by replacing such items with the following disclosure requirements:

PART I.—INFORMATION REQUIRED IN PROSPECTUS

Item 1. Forepart of the Registration Statement and Outside Front Cover Page of Prospectus. Set forth in the forepart of the registration statement and on the outside front cover page of the prospectus the information required by Item 501 of Regulation S–K (17 CFR 229.501).

Item 2. Inside Front and Outside Back Cover Pages of Prospectus. Set forth in the inside front cover page of this prospectus or, where permitted, on the outside back cover page, the information required by Item 502 of Regulation S–K (17 CFR 229.502).

Item 3. Summary Information and Risk Factors. Furnish the information required by Item 503(a), (b), and (c) of Regulation S–K (17 CFR 229.503(a), (b) and (c)).

Item 4. Use of Proceeds. Furnish the information required by Item 504 of Regulation S–K (17 CFR 229.504).

Item 5. Determination of Offering Price. Furnish the information required by Item 505 of Regulation S–K (17 CFR 229.505).

Item 6. Dilution. Furnish the information required by Item 506 of Regulation S–K (17 CFR 229.506).

Item 7. Selling Security Holders. Furnish the information required by Item 507 of Regulation S–K (17 CFR 229.507).

Item 8. Plan of Distribution. Furnish the information required by Item 508 of Regulation S–K (17 CFR 229.508), except the information specified in Item 508(c)(1), (3), and (d).

Item 9. Legal Proceedings. Furnish the information required by Item 103 of Regulation S–K (17 CFR 229.103).

Item 10. Directors and Executive Officers. Furnish the information required by Item 401 of Regulation S–K (17 CFR 229.401).

Item 11. Security Ownership of Certain Beneficial Owners and Management. Furnish the information required by Item 403 of Regulation S–K (17 CFR 229.403).

Item 12. Description of the Securities To Be Registered. Furnish the information required by Item 202 of Regulation S–K (17 CFR 229.202).

Revision 5

Part I of Form S–18 is amended by adding new disclosure Items 13 and 14, as follows:

Item 13. Interest of Named Experts and Counsel. Furnish the information required by Item 509 of Regulation S–K (17 CFR 229.509).

Item 14. Statement as to Indemnification. Furnish the information required by Item 510 of Regulation S–K (17 CFR 229.510).

Revision 6

Part I of Form S–18 is amended by redesignating existing Item 4 (Organization Within 5 Years), Item 6 (Description of Business), Item 7 (Description of Property), and Item 13 (Interest of Management and Others in Certain Transactions) as Items 15, 16, 17, and 18, respectively, with no textual changes.

Revision 7

Part I to Form S–18 is amended by redesignating existing Item 7A (Description of Property-Issuers Engaged or to be Engaged in Significant Mining Operations) as Item 17A and by modifying current Instruction (3) to Item 7A(b) to read as follows.

Item 17A (Description of Property-Registrants Engaged or To Be Engaged in Significant Mining Operations)

* * * * *

(b) * * *.

Instructions * * *.

(3) Estimates other than proved (measured) or probable (indicated) reserves, and any estimated values of such reserves shall not be disclosed unless such information is required to be disclosed by foreign or state law; provided, however, that where such estimates previously have been provided to a person (or any of its affiliates) that is offering to acquire, merge, or consolidate with, the registrant or otherwise to acquire the registrant's securities, such estimates may be included.

Revision 8

Part I of Form S–18 is amended by deleting existing Item 11 (Options to Purchase Securities), and by adding the following disclosure item:

Item 19. Certain Market Information. Furnish the information required by Item 201(a)(2) of Regulation S–K (17 CFR 229.201(a)(2)).

Revision 9

Part I of Form S–18 is amended by redesignating existing Item 10 (Remuneration of Directors and Officers) as Item 20 and by redesignating the introductory paragraph as (a) and former paragraphs (a) and (b) as (i) and (ii) and by adding paragraph (b), as follows:

Item 20. Remuneration of Directors and Officers. (a) Furnish the information required in the table below in substantially the tabular form specified, concerning all remuneration paid or distributed through the latest practicable date to, or accrued through such

date for the account of, the following persons for services in all capacities to the registrant and its subsidiaries during the registrant's last fiscal year.

(i) each of the five highest paid persons who are officers or directors of the registrant whose aggregate remuneration exceeded $50,000 naming each such person.

(ii) all directors and officers of the registrant as a group, without naming them.

* * * * *

(b) Furnish the following information as to options to purchase securities from the registrant or any of its subsidiaries which are outstanding as of a specified date not more than 30 days prior to the date of filing of the registration statement held by (1) each director and executive officer named in answer to paragraph (a), above, naming each such person, and (2) all directors and officers as a group without naming them:

(i) The title and amount of the securities called for by such options;

(ii) The purchase price of the securities called for and the expiration dates of such options; and

(iii) The market value of the securities called for by such options as of the latest practicable date.

Instructions. 1. The term "options" as used in this item includes all options, warrants and rights other than those issued to security holders on a pro rata basis.

2. The extension of options shall be deemed the granting of options within the meaning of this item.

3. Where the total market value of securities called for by all outstanding options as of the specified date referred to in this item does not exceed $10,000 for any director or executive officer named in answer to paragraph (a), above, or $50,000 for all officers and directors as a group this item need not be answered with respect to options held by such person or group.

4. In case a number of options are outstanding having different prices and expiration dates, the options may be grouped by prices and date. If this produces more than five separate groups, then there may be shown only the range of the expiration dates and the average purchase prices, i.e., the aggregate purchase price of all securities of the same class called for by all outstanding options to purchase securities of that class divided by the number of securities of such class so called for.

Revision 10

Part I of Form S–18 is amended by deleting existing Item 15 (Financial Statements and Instructions) and by replacing such item with the following disclosure requirements:

Item 21. Financial Statements.

(a) General.

(1) The financial statements of the registrant, or the registrant and its predecessors or any businesses to which the registrant is a successor, which are to be filed as part of the registration statement shall be prepared in accordance with generally accepted accounting principles (GAAP) in the United States or in the case of a Canadian registrant, a reconciliation to such U.S. GAAP shall be included in a note or schedule to the financial statements.

(2) Regulation S–X (17 CFR 210.1–210.12), Form and Content of and Requirements for Financial Statements, shall not apply to the preparation of such financial statements, except that the report and qualifications of the independent accountant shall comply with the requirements of Article 2 of Regulation S–X, and registrants engaged in oil and gas producing activities shall follow the financial accounting and reporting standards specified in Article 4–10 of Regulation S–X with respect to such activities.

(3) The Commission may, upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the financial statements herein required or the filing in substitution therefore of appropriate statements of comparable character. The Commission may also by informal written notice require the filing of other financial statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

(b) Consolidated balance sheets.

(1) The registrant and its subsidiaries consolidated shall file an audited balance sheet as of the end of the most recent fiscal year, or as of a date within 135 days of the date of filing the registration statement if the registrant (including predecessors) existed for a period less than one fiscal year.

(2) When the filing date of the registration statement falls after 134 days subsequent to the end of the registrant's most recent fiscal year a balance sheet as of an interim date within 135 days of the filing date also shall be included in the registration statement. Such balance sheet need not be audited and may be in condensed form.

(c) Consolidated statements of income, changes in financial condition and stockholder's equity.

(1) There shall be filed for the registrant and its subsidiaries consolidated statements of income, changes in financial position and stockholders equity for each of the two fiscal years preceding the date of the most recent audited balance sheet being filed (or for such shorter period as the registrant has been in business), and for the interim period, if any, between the end of the most recent fiscal year and the date of the most recent balance sheet being filed. These statements should be audited to the date of the most recent audited balance sheet being filed. Any interim financial statements may be in condensed form.

(2) If an income statement is filed for an interim period there shall also be filed, except for registrants in the development stage as defined by GAAP, an income statement for a comparable period of the prior year.

(3) In connection with any unaudited statement for an interim period a statement shall be made that all adjustments necessary to a fair statement of the results for such period have been included. If all such adjustments are of a normal recurring nature, a statement to that effect shall be made; otherwise, there shall be furnished information describing in appropriate detail the nature and amount of any adjustments other than normal recurring adjustments entering into the determination of the results shown.

(d) Past Successions to Other Businesses.

(1) If, during the period for which its income statements are required, the registrant has by purchase or by pooling of interests succeeded to one or more businesses which in the aggregate are significant, the additions, eliminations and other changes effected in the succession shall be appropriately set forth in a note or supporting schedule to the balance sheets being filed, and, if a purchase has been effected during the most recent fiscal year or in a subsequent period, pro forma statements of income reflecting the combined operations of the entities shall be furnished in columnar form for the latest fiscal year and any interim periods. In addition, furnish audited income statements, separate or combined as appropriate, for such business or businesses for such period prior to the purchase as may be necessary when added to the time, if any, for which income statements after the purchase are filed to cover the same period for which income statements of the registrant are required in Item (c) above. The test of significance shall be based on the tests used in the term "significant subsidiaries" in Rule 405 of Regulation C.

(2) This instruction shall not apply with respect to the registrant's succession to the business of any totally held subsidiary or to the succession of one or more businesses, considered in the aggregate, would not meet the test of a significant subsidiary.

(e) Future Successions to Other Businesses.

(1) If, after the date of the most recent balance sheet filed pursuant to paragraph (b) above, the registrant by purchase or by pooling of interests succeeded or is about to succeed to one or more businesses or acquired or is about to acquire an investment in a business the investment in which is required to be accounted for by the equity method, there shall be filed for such businesses financial statements, combined if appropriate, which would be required if they were registering securities on Form S–18 under the Act. In addition, to reflect the succession to any businesses, there shall be filed in columnar form (i) a balance sheet of the registrant, (ii) the balance sheet of the constituent businesses, (iii) the changes to be effected in the succession, and (iv) the pro forma balance sheet of the registrant giving effect to the plan of succession. There shall also be filed pro forma statements of income in columnar form for the periods for which the results of operations of the acquired business would have been included in the registrant's income statement for a pooling of interests or would have been presented on a pro forma basis for a purchase had the succession occurred on the date of the latest balance sheet filed. By a note to the financial statements or otherwise, a brief explanation of the changes shall be given.

(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.

(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 aggregrate, would not meet the test of a significant subsidiary as defined in Rule 405, of Regulation C.

(f) Age of financial statements at effective date of registration statement.

(1) If the financial statements are as of a date 135 days or more prior to the date the registration statement is expected to become effective the financial statements shall be updated with a balance sheet as of an interim date within 135 days and with statements of income and changes in financial position for the interim period between the end of the most recent fiscal year and the date of the interim balance sheet. There shall also be filed, except for registrants in the development stage, an income statement for a corresponding period of the preceding fiscal year. Such interim financial statements need not be audited and may be in condensed form.

(2) When the anticipated effective date of the registration statement falls within 45 days subsequent to the end of the fiscal year, the registration statement need not include financial statements more current than as of the end of the third fiscal quarter of the most recently completed fiscal year. *Provided, however,* That if the audited financial statements for such fiscal year are available they must be included in the registration statement. If the anticipated effective date falls after 45 days subsequent to the end of the fiscal year the registration statement must include audited financial statements for the most recently completed fiscal year.

(3) When the filing date of the registration is near the end of a fiscal year and the audited financial statements for that fiscal year are not included in the registration statement, the registration statement shall be updated with such financial statements if they become available prior to anticipated effective date.

(g) Special instructions for real estate operations to be acquired.

If, during the period for which income statements are required, the registrant (a) has acquired one or more properties which in the aggregate are significant, or (b) since the date of the latest balance sheet required, has acquired or proposes to acquire one or more properties which in the aggregate are significant, the following shall be furnished with respect to such properties.

(1) Audited income statements (not including earnings per unit) for the two most recent fiscal years, which shall exclude items not comparable to the proposed future operations of the property such as mortgage interest, leasehold rental, depreciation, corporate expenses and Federal and state income taxes: *Provided, however,* That such audited statements need be presented for only the most recent fiscal year if (i) the property is not acquired from a related party; (ii) material factors considered by the registrant in assessing the property are described with specificity in the prospectus with regard to the property, including sources of revenue (including, but not limited to, competition in the rental market, comparative rents, occupancy rates) and expense (including, but not limited to, utility rates, *ad valorem* tax rates, maintenance expenses, capital improvements anticipated); and (iii) the registrant indicates in the prospectus that, after reasonable inquiry, the registrant is not aware of any material factors relating to that specific property other than those discussed in response to paragraph (1)(ii) of this section that would cause the reported financial information not to be necessarily indicative of future operating results.

(2) If the property is to be operated by the registrant there shall be furnished a statement showing the estimated taxable operating results of the registrant based on the most recent twelve month period including such adjustments as can be factually supported. If the property is to be acquired subject to a net lease the estimated taxable operating results shall be based on the rent to be paid for the first year of the lease. In either case, the estimated amount of cash to be made available by operations shall be shown. There shall be stated in an introductory paragraph the principal assumptions which have been made in preparing the statements of estimated taxable operating results and cash to be made available by operations.

(3) If appropriate under the circumstances, there shall be given in tabular form for a limited number of years the estimated cash distribution per unit showing the portion thereof reportable as taxable income and the portion representing a return of capital together with an explanation of annual variations, if any. If taxable net income per unit will become greater than the cash available for distribution per unit, that fact and approximate year of occurrence shall be stated, if significant.

(h) Special instructions for limited partnerships.

(1) In addition to the financial reporting requirements in paragraphs (a) through (g), registrants which are limited partnerships are required also to file the balance sheets of the general partners as described in subparagraphs (2) through (4), below.

(2) Where a general partner of the limited partnership is a corporation there shall be filed an audited balance sheet of such corporation as of the end of its most recently completed fiscal year. Receivables from the parent or affiliate of the general partner (including notes receivable, but excluding trade receivables), should be presented as deductions from the shareholders' equity of the general partner. Where a parent or affiliate of the general partner has committed itself to increase or maintain the general partner's capital then there shall also be filed an audited balance sheet of such parent or affiliate as of the end of its most recently completed fiscal year.

(3) Where a general partner of the limited partnership is a partnership there shall be filed an audited balance sheet of such partnership as of the end of its most recently completed fiscal year.

(4) Where a general partner of the limited partnership is a natural person there shall be filed, as supplemental information, a balance sheet of such natural person as of a recent date. Such balance sheet need not be audited. The assets and liabilities on such balance sheet should be carried at estimated fair market value, with provisions for estimated income taxes on unrealized gains. The net worth of such general partner(s), based on the estimated fair market value of their assets and liabilities, singly or in the aggregate, shall be disclosed in the text of the prospectus.

(i) Special instructions for registrants engaged in mining operations.

With respect to companies engaged or to be engaged in the mining business, attention is directed to the instruction to Item 17A concerning the appropriate classification of issuers engaged in the exploratory, development and production stage of mining.

Revision 11

Part II of Form S–18 is amended by deleting existing Item 16 (Marketing Arrangements), Item 17 (Other Expenses of Issuance and Distribution), Item 18 (Relationship with Registrant of Experts Named in Registration Statement), Item 19 (Recent Sales of Unregistered Securities) and Item 20 (Exhibits), and by adding the following disclosure requirements:

Part II.—Information Not Required in Prospectus

Item 22. Indemnification of Directors and Officers. Furnish the information called for by Item 702 of Regulation S–K (17 CFR 229.702).

Item 23. Other Expenses of Issuance and Distribution. Furnish the information called for by Item 511 of Regulation S–K (17 CFR 229.511).

Item 24. Recent Sales of Unregistered Securities. Furnish the information called for by Item 701 of Regulation S–K (17 CFR 229.701).

Item 25. Exhibits. Furnish the exhibits as required by Item 601 of Regulation S–K (17 CFR 229.601).

Revision 12

Part II of Form S–18 is amended by removing the existing undertaking requirements and replacing them with the following:

Item 26. Undertakings. Furnish the undertakings required by Items 512 of Regulations S–K (17 CFR 229.512).

Revision 13

The signature requirements of Form S–18 are amended to read as follows:

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies

that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S–18 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of ———, State of ———, on ———, 19——.

(Registrant) ———

By (Signature and Title) ———

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

(Signature) ———

(Title) ———

(Date) ———

Instructions 1. The registration statement shall be signed by the registrant, its principal executive officer or officers, its principal financial officer, its controller or principal accounting officer and by at least a majority of the board of directors or persons performing similar functions. If the registrant is a Canadian person, the registration statement shall also be signed by its authorized representative in the United States. Where the registrant is a limited partnership, the registration statement shall be signed by a majority of the board of directors of any corporate general partner signing the registration statement.

2. The name of each person who signs the registration statement shall be typed or printed beneath his signature. Any person who occupies more than one of the specified positions shall indicate each capacity in which he signs the registration statement. Attention is directed to Rule 402 concerning manual signatures and to the exhibit requirements concerning signatures pursuant to powers of attorney.

Revision 14

Part II to Form S–18 is amended by removing existing Instructions as to Exhibits.

Revision 15

Part II to Form S–18 is amended by removing the existing Appendix to the Form.

By the Commission.

George A. Fitzsimmons,

Secretary.

June 4, 1982.

[FR Doc. 82–15746 Filed 6–9–82; 8:45 am]

BILLING CODE 8010–01–M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 271

[Docket No. RM79–76–000 (Colorado—24); Order No. 236]

Colorado; High-Cost Gas Produced From Tight Formations

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule.

SUMMARY: The Federal Energy Regulatory Commission is authorized by section 107(c)(5) of the Natural Gas Policy Act of 1978 to designate certain types of natural gas as high-cost gas where the Commission determines that the gas is produced under conditions which present extraordinary risks or costs. Under section 107(c)(5), the Commission issued a final regulation designating natural gas produced from tight formations as high-cost gas which may receive an incentive price (18 CFR 271.703). This final order adopts the recommendation of the Colorado Oil and Gas Conservation Commission that the Mesaverde and Mancos Formations be designated as tight formations under § 271.703(d).

EFFECTIVE DATE: This rule is effective June 4, 1982.

FOR FURTHER INFORMATION CONTACT: Leslie Lawner, (202) 357–8511 or Victor Zabel, (202) 357–8616.

SUPPLEMENTARY INFORMATION:

Issued: June 4, 1982.

The Commission hereby amends § 271.703(d) of its regulations to include the Mesaverde and Mancos Formations in Rio Blanco County, Colorado as designated tight formations eligible for incentive pricing under § 271.703. This amendment was proposed in a Notice of Proposed Rulemaking by the Director, Office of Pipeline and Producer Regulation (OPPR) issued March 4, 1982 (47 FR 10239, March 10, 1982)[1] based on a recommendation by the Colorado Oil and Gas Conservation Commission (Colorado) in accordance with § 271.703(c) that the Mesaverde and Mancos Formations be designated as tight formations.

The Commission finds that the evidence submitted by Colorado supports the assertion that the Mesaverde and Mancos Formations meet the guidelines contained in § 271.703(c)(2). The Commission adopts the Colorado recommendation.

This amendment shall become effective immediately. The Commission finds that the public interest dictates that new natural gas supplies be developed on an expedited basis, and, therefore, incentive prices should be made available as soon as possible. The need to make incentive prices immediately available establishes good cause to waive the thirty-day publication period.

[1] Comments were invited on the proposed rule and none were received. No party requested a public hearing and no hearing was held.

List of Subjects in 18 CFR Part 271

Natural gas, Incentive price, Tight formations.

(Department of Energy Organization Act, 42 U.S.C. 7101 *et seq.;* Natural Gas Policy Act of 1978, 15 U.S.C. 3301–3432; Administrative Procedure Act, 5 U.S.C. 553)

In consideration of the foregoing, Part 271 of Subchapter H, Chapter I, Title 18, Code of Federal Regulations, is amended as set forth below, effective immediately.

By the Commission.

Kenneth F. Plumb,

Secretary.

PART 271—CEILING PRICES

Section 271.703(d) is revised by adding new subparagraphs (86) and (87) to read as follows:

§ 271.703 Tight formations.

* * * * *

(d) *Designated tight formations.*

* * * * *

(86) *Mesaverde Formation in Colorado.* RM79–76 (Colorado—24).

(i) *Delineation of formation.* The Mesaverde Formation is found in the southwestern portion of Rio Blanco County, Colorado, about 70 miles northwest of the town of Grand Junction. The Mesaverde Formation is located in Township 1 South, Ranges 98 and 99 West, 6th P.M., all; Township 1 South, Range 100 West, 6th P.M. Sections 1 through 3, 10 through 15, 22 through 27, and 34 through 36; Township 2 Range 98 West, 6th P.M., Sections 4 through 8; Township 2 South, Range 99 West, 6th P.M., Sections 1 through 12, 15 through 22, and 27 through 34; and Township 2 South, Range 100 West, 6th P.M., Sections 1 through 3, 10 through 15, 22 through 27, and 34 through 36.

(ii) *Depth.* The Mesaverde Formation varies in thickness from 2,900 to 3,600 feet. The average depth to the top of the Mesaverde Formation is 6,693 feet.

(87) *Mancos Formation in Colorado.* RM79–76 (Colorado—24).

(i) *Delineation of formation.* The Mancos Formation is found in the southwestern portion of Rio Blanco County, Colorado, about 70 miles northwest of the town of Grand Junction. The Mesaverde Formation is located in Township 1 South, Ranges 98 and 99 West, 6th P.M., all; Township 1 South, Range 100 West, 6th P.M., Sections 1 through 3, 10 through 15, 22 through 27, and 34 through 36; Township 2 Range 98 West, 6th P.M., Sections 4 through 8; Township 2 South, Range 99 West, 6th P.M., Sections 1 through 12, 15 through 22, and 27 through 34; and