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SECURITIES AND EXCHANGE COMMISSION
Philadelphia

SECURITIES ACT OF 1933

Release No. 2887

SECURITIES EXCHANGE ACT OF 1934

Release No. 3347

HOLDING COMPANY ACT

Release No. 3988

INVESTMENT COMPANY ACT OF 1940

Release No. 417

The Securities and Exchange Commission today announced the adoption of several revisions to its proxy rules applicable to all solicitations after January 15, 1943.

At the same time the Commission announced a general simplification of registration and reporting requirements under the various Acts which it administers through a comprehensive revision of its forms and regulations. It is believed that the program will result in considerable saving of paper work and will at the same time preserve for investors and protection afforded by the statutes.

The principal revisions to the proxy regulations are:

1. More extensive information must be given on the compensation and dealings of corporate managers, as well as a brief statement of the principal occupation of all directors and a resume of the business experience of new candidates.
2. Regular annual reports to stockholders must accompany or precede proxy statements.
3. Stockholders making proposals for action which are opposed by management must be given not more than 100 words in the proxy in which to state their position, provided the security holder gives the management reasonable notice of his intention.
4. The exemption heretofore granted corporations making proxy solicitations without use of the mails or interstate commerce is abolished.
5. An exemption is provided from the rules for certain types of solicitations through newspaper advertisements.

The additional information required about management includes a list of all directors and officers, except officers (not directors) receiving less than \$20,000 a year, together with a statement of the amounts received in cash as well as under pension or option plans. Information must also be given showing all loans to officers and directors not made in the ordinary course of business, together with a brief description of all material transactions of officers and directors and their associates with the company or its subsidiaries.

Several months ago the Commission authorized its staff to circulate the proposed revisions to its proxy rules for comments and suggestions. The revisions announced today take into consideration the comments received. A number of the suggestions proposed by the staff were not adopted. They are:

1. The requirement that information of the type submitted in an annual report to stockholders including financial statements shall be included in the proxy statement.
2. The suggestion that minority stockholders be given an opportunity to use the management's proxy material in support of their own nominees for directorships.
3. A suggestion that persons soliciting proxies be denied the right to obtain discretionary authority where security holders have not marked ballots. This proposal was not adopted but a requirement of a clearer statement concerning the solicitation of discretionary authority was included in the new rules.
4. Compensation of officers who are not directors and who receive \$20,000 or less is not required to be reported.

Consideration of the proposed revisions to its proxy rules led the Commission to an acceleration of the survey which it had earlier begun of the forms and regulations under the various statutes which it administers. This resulted in a general streamlining of a number of the reporting forms, with the adoption of many of the suggestions received from industry and which had been under consideration by the Commission for some time. The principal revisions are:

1. A new general form has been adopted for registration of commercial and industrial companies under the Securities Act of 1933, permitting the filing of the prospectus as a principal part of the registration statement, thus eliminating much duplication between the prospectus and the registration statement proper.

A registration statement filed under the Securities Act becomes a basic document under the simplification program so that securities covered by the statement may be listed on a stock exchange by filing copies of the registration statement. If a company is required to file annual reports with the Commission, these reports may consist principally of copies of its registration statement under the Securities Act, its annual report to stockholders, or a thirteen-months' prospectus. One result is that a company's annual report to stockholders, its proxy statement and its annual report to the Commission may, generally speaking, be the same document.

3. A number of changes have been effected in the requirements for financial statements designed to simplify and shorten such data by permitting under designated conditions the omission or partial omission of certain schedules, and by permitting all figures appearing in financial statements to be stated in thousands of dollars. Financial statements included in annual reports to stockholders may be incorporated in annual reports to the Commission if they substantially conform to the requirements of Regulation S-X. A supplementary opinion of the Chief Accountant will be released shortly discussing the type of grouping or condensation which may be followed in financial statements without preventing substantial conformity with the requirements of Regulation S-X.
4. The procedure for registration of additional securities on an exchange and for registration on an additional exchange has been simplified by the revision of Forms 8-A and 8-C.
5. The Annual Supplement Form U5S for registered holding companies has been revised to eliminate 23 out of a total of 42 items or sub-items and 6 out of a total of 13 exhibits or sub-exhibits. In addition, many of the remaining items and instructions thereto have been amended to decrease the quantity of information required.
6. Two skeleton forms have been adopted for the use of public utility holding companies registered under the Holding Company Act in filing annual reports under Sections 13 and 15 (d) of the Securities Exchange Act. These forms permit such companies to file copies of their annual supplements in lieu of furnishing the information required in the forms heretofore used by such corporations. However, such companies must file the financial statements required by Form 10-K and the financial statements must be prepared in accordance with Regulation S-X.

The new program also includes simplified forms for the registration of securities of closed-end and open-end management investment companies and unit investment trusts which permit such companies to file a registration statement consisting of little more than a prospectus.

The use of the new forms included in the simplification program is entirely permissive, except that the new Form U5S under the Holding Company Act is intended to supplant the existing form until further notice. Any company may use them or may follow the procedure heretofore in effect. During the next several months the Commission will receive and give careful consideration to any criticisms or suggestions with regard to the use of the new forms. These forms are now in preparation and will be available shortly.

The text of the Commission's action follows:

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Act of 1933, particularly Sections 7, 10 and 19 (a) thereof; the Securities Exchange Act of 1934, particularly Sections 12, 13, 14 (a), 15 (d) and 23 (a) thereof; the Public Utility Holding Company Act of 1935, particularly Sections 14 and 20(a) thereof; and the Investment Company Act of 1940, particularly Sections 30 (a) and 38 (a) thereof, and deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary for the execution of the functions vested in it by the said Acts, hereby takes the following action:

(A) The following forms are hereby adopted:

Form S-1, Optional Form for Registration under the Securities Act of 1933 of Securities of Issuers which would otherwise be authorized or required to use Form A-1, A-2, or E-1.

Form S-4, For Registration under the Securities Act of 1933 of Securities of Closed-end Management Investment Companies Registered on Form N-9B-1.

Form S-5, For Registration under the Securities Act of 1933 of Securities of Open-end Management Investment Companies Registered on Form N-8E-1.

Form S-6, For Registration under the Securities Act of 1933 of Securities of Unit Investment Trusts Registered on Form N-8E-2.

Form U5-K, For Annual Reports under Section 13 of the Securities Exchange Act of 1934 of Holding Companies Registered under the Public Utility Holding Company Act of 1935.

Form U5-MD, For Annual Reports under Section 15 (d) of the Securities Exchange Act of 1934 of Holding Companies Registered under the Public Utility Holding Company Act of 1935.

(B) The following forms are amended to read as set forth in copies of the forms marked "As amended to and including 11/15/42".

Form 8-A, For Registration of Additional Securities under the Securities Exchange Act of 1934.

Form 8-C, Application for Registration of Securities on an Additional Exchange Pursuant to Sections 12 (b), (c) and (d) of the Securities Exchange Act of 1934.

(C) *Form U5S*, Annual Supplement to Registration Statement, is amended to read as set forth in copies of the form marked "Adopted December 10, 1942".

(D) *Form 10-K*, For Corporations, and *Form N-30A-1*, Annual Report of Management Investment Company Registered Under the Investment Company Act of 1940, are amended as provided below.

(E) *Form A-0-1* and the instruction book therefor are hereby rescinded.

(F) *Rule X-12B-9*, Of the General Rules and Regulations under the Securities Exchange Act of 1934 is amended to read as hereinbelow set forth.

(G) Rules X-12B-10, X-12A-10, X-12A-9 and X-12D-6 are adopted to read as hereinbelow set forth.

(H) Regulation X-14 is amended to read as hereinbelow set forth.

The above action of the Commission shall become effective immediately upon publication except that the revised Regulation X-14 shall not become effective until January 15, 1943.

Rule X-12B-9. - Registration by Closed-end Management Investment Companies.

(a) Notwithstanding the requirements of the form which would otherwise be appropriate for registration of securities on an exchange under the Securities Exchange Act of 1934 (hereinafter called the "appropriate form"), any closed-end management investment company which is registered under the Investment Company Act of 1940 and which has no securities listed and registered on any exchange may file an application for registration of securities under the Securities Exchange Act of 1934 consisting of the following:

(1) The facing sheet of the appropriate form;

(2) A copy of the company's registration statement under Section 8 (b) of the Investment Company Act of 1940, including financial statements and exhibits;

(3) A copy of each report filed by the company pursuant to Section 30 (a) or 30 (b) (1) of the Investment Company Act of 1940, including financial statements and exhibits, if any;

(4) A description of the securities being registered as required by the appropriate form and any financial statements or exhibits required by the appropriate form which are not included in the application pursuant to (2) or (3) above; and

(5) The signatures required by the appropriate form.

(b) The following statement shall appear on the facing sheet of the application or on a page immediately following the facing sheet:

"THIS APPLICATION, FILED PURSUANT TO RULE X-12B-9, CONSISTS OF THE REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 FILED BY THE REGISTRANT ON _____, 19____, AND THE FOLLOWING ADDITIONAL INFORMATION AND DOCUMENTS REQUIRED BY RULE X-12B-9" (List such additional information and documents.)

(c) If the registration statement or any report included in the application pursuant to (a) (2) or (a) (3), above, incorporates by reference any financial statements or exhibits required by the appropriate form which are on file with the Commission but are not on file with the exchange, the copies of the application filed with the exchange shall contain copies of such financial statements or exhibits.

Rule X-12B-10. Registration by Registrants under the Securities Act of

(a) Notwithstanding the requirements of the form which would also be appropriate for registration of securities on an exchange under the Securities Exchange Act of 1934 (hereinafter called the "appropriate form"), any issuer, except investment companies registered under the Investment Company Act of 1940, which has filed a registration statement under the Securities Act of 1933 and which has no securities listed and registered on any exchange may, if the registration statement has become effective and is not subject to any proceeding under Section 9 (d) of the latter Act or to an order entered thereunder, file an application for registration of securities under the Securities Exchange Act of 1934 consisting of the following:

(1) The facing sheet of the appropriate form;

(2) A copy of the company's registration statement under the Securities Act of 1933, including financial statements and exhibits;

(3) A description of the securities being registered as required by the appropriate form (unless contained in the registration statement filed pursuant to (2) above) and any financial statements or exhibits required by the appropriate form which are not included in the application pursuant to (2) above; and

(4) The signatures required by the appropriate form.

(b) The following statement shall appear on the facing sheet of the application or on a page immediately following the facing sheet:

"THIS APPLICATION, FILED PURSUANT TO RULE X-12B-10, CONSISTS OF THE REGISTRATION STATEMENT OF _____ UNDER THE SECURITIES ACT OF 1933 WHICH BECAME EFFECTIVE ON _____, AND THE FOLLOWING ADDITIONAL INFORMATION AND DOCUMENTS REQUIRED BY RULE X-12B-10": (List such additional information and documents.)

(c) Any application filed pursuant to this rule after the end of one or more fiscal years of the registrant following the last fiscal year for which certified financial statements were included in its registration statement under the Securities Act of 1933 shall be accompanied by an annual report for each such fiscal year on the form appropriate for annual reports of the registrant pursuant to Section 13 of the Securities Exchange Act of 1934, provided that if the registrant has filed for such fiscal year or years annual reports pursuant to Section 15 (d) of the latter Act, it may file with the exchange copies of the annual reports so filed with the Commission.

(d) If the registration statement included in the application incorporates by reference any financial statements or exhibits required by the appropriate form which are on file with the Commission but are not on file with the exchange, the copies of the application filed with the exchange shall include copies of such financial statements or exhibits.

Rule X-13A-10. Reports in Case of New Registration under Securities Act of 1933.

(a) Notwithstanding the provisions of rules X-13A-1 and X-13A-2, any registrant, except investment companies registered under the Investment Company Act of 1940, which has filed a registration statement under the Securities Act of 1933, may file as its annual report pursuant to rule X-13A-1, copies of its registration statement under the latter Act in lieu of an annual report on the appropriate annual report form if the statement (1) has become effective and is not subject to any proceeding under Section 8 (d) of that Act or to an order entered thereunder and (2) covers the period which would be covered by a report on the appropriate annual report form and contains all of the information including financial statements and exhibits required by the appropriate annual report form.

(b) The report shall be filed under cover of the facing sheet of the appropriate annual report form and shall be signed in accordance with the requirements of that form. The following statement shall appear on the facing sheet of the annual report or on the page immediately following the facing sheet:

THIS ANNUAL REPORT, FILED PURSUANT TO RULE X-13A-8, CONSISTS OF THE INFORMATION AND DOCUMENTS CONTAINED IN THE REGISTRATION STATEMENT ON FORM _____, FILED BY THE REGISTRANT ON _____ 19___, AS AMENDED UNDER DATES OF _____.

(c) Any exhibits included in the registration statement which are not required by the appropriate annual report form may be omitted.

(d) If the registration statement included in the report incorporates by reference any financial statements or exhibits required by the appropriate annual report form which are on file with the Commission but are not on file with the exchange, the copies of the annual report filed with the exchange shall include copies of such financial statements or exhibits.

(e) Copies of the report filed with the Commission may incorporate the registration statement by reference.

Rule X-13A-9. Incorporation of Information contained in a Prospectus.

Any registrant which has filed with the Commission pursuant to Rule 800 of the General Rules and Regulations under the Securities Act of 1933 copies of a prospectus meeting the requirements of Section 10 (b) (1) of that Act may incorporate by reference in its annual report pursuant to Section 13 of the Securities Exchange Act of 1934 any information, including financial statements, contained in the prospectus, provided a copy of the prospectus is filed as an exhibit to the annual report.

Rule X-15D-6. Incorporation of Information contained in a Prospectus.

Any registrant which has filed with the Commission pursuant to Rule 800 of the General Rules and Regulations under the Securities Act of 1933, copies of a prospectus meeting the requirements of Section 10 (b) (1) of that Act may incorporate by reference in its annual report pursuant to Section 15 (d)

of the Securities Exchange Act of 1934 any information, including financial statements, contained in the prospectus, provided a copy of the prospectus is filed as an exhibit to the annual report.

Amendments to Form 10-K

1. Paragraph 3 (c) of the instructions to Item 8 under the caption "Financial Statements" set forth in the instruction book for Form 10-K is amended to read as follows:

(c) No financial statements need be filed for any subsidiary, whether domestic or foreign, which is not a significant subsidiary. Statements of subsidiaries may be so omitted, however, only to the extent that the total assets of the subsidiaries for which statements are omitted do not exceed 15% of the total assets of the registrant and its subsidiaries consolidated and the total sales and operating revenues of the omitted subsidiaries do not exceed 15% of the sales and operating revenues of the registrant and its subsidiaries consolidated.

2. The Instruction Book for Form 10-K is further amended by inserting after Instruction 16 under the caption "General Rules as to Preparation and Contents of Annual Report" a new instruction reading as follows:

17. *Issuers subject to the proxy rules.* If the registrant has furnished an annual report to its security holders pursuant to Rule X-14A-1 of Regulation X-14, it may file with its annual report on this form a copy of its annual report to security holders and may incorporate by reference in answer to any item of this form any of the information contained in such annual report. The registrant may also incorporate by reference in its annual report on this form any financial statements contained in its annual report to security holders which are prepared substantially in accordance with the requirements of this form and Regulation S-X.

Amendment to Form N-30A-1

Form N-30A-1 is amended by changing Instruction 4 captioned "Definitions" of the "Instructions for Form N-30A-1" to Instruction 5 and inserting a new Instruction 4 reading as follows:

4. *Issuers subject to the proxy rules.* If the registrant has furnished an annual report to its security holders pursuant to Rule X-14A-1 of Regulation X-14, it may file with its annual report on this form a copy of its annual report to security holders and may incorporate by reference in answer to any item of this form any of the information contained in such annual report. The registrant may also incorporate by reference in its annual report on this form any financial statements contained in its annual report to security holders which are prepared substantially in accordance with the requirements of this form and Regulation S-X.