

## INDEX

### THREE YEARS OF THE SECURITIES ACT—PART I\*

#### "BEATING THE GUN"

See WAITING PERIOD.

*Brooklyn Manhattan Transit Corp., In matter of*, 109.

#### BROKER-DEALER SEGREGATION

desirability of, 86.

#### "BUILDING A RECORD"

as defense to suit, 73.

#### CAPITAL FLOTATIONS

amount of, in 1935-1936, 53; classification of types of buyers of selected issues in 1935, 62; geographic distribution of 1935 retail sales of selected bond issues, 60.

#### CIVIL LIABILITIES PROVISIONS, SECURITIES ACT

for false or misleading statements, 17; measure of damages, 18.

#### COMMERCIAL PAPER

exemptions of S. Act pertaining to, 93.

See EXEMPTIVE PROVISIONS.

#### "COOLING PERIOD"

See WAITING PERIOD.

#### COSTS OF SECURITIES DISTRIBUTION

See SECURITIES DISTRIBUTION.

#### CRIMINAL LIABILITY PROVISIONS, SECURITIES ACT

for misrepresentation, 17.

#### DISTRIBUTION OF SECURITIES

defined, 116. See SYNDICATION, ORIENTATION, EXEMPTIVE PROVISIONS.

#### EFFECTS OF SECURITIES ACT

on ethical standards, 63; on volume of new financing, 72, 82; on reliability, 72, 77, and scope of information furnished investors, 77, 80. See INSTITUTIONAL INVESTORS, ORIENTATION, SYNDICATION, WAITING PERIOD.

#### EXCHANGE OF SECURITIES

exemptive provisions of S. Act as applied to, 96-102. See EXEMPTIVE PROVISIONS.

#### EXEMPTED SECURITIES

amount of, 21; issues subject to S. E. C. rule, 202. See EXEMPTIVE PROVISIONS.

#### EXEMPTIVE PROVISIONS OF SECURITIES ACT

relative to character of issuer, 92; classes of issuers exempt under, 92-93; pertaining to character of security or issue, 93; particular classes of securities exempt under, 93-95; relative to securities exchanged with existing securities holders, 96-102; conversions, 98-100; meaning of "exchanged by the

issuer with its existing securities holders," 100-101; as applying to securities issued in corporate reorganizations, 102-107; intra-state issues, 107; offerings by the issuer, 113-115; by persons initiating or promoting distribution, 115; by affiliated stockholders, 119, 124, 125; by dealers for own account, 120-122; for account of others, 122-123; by others than issuers, underwriters or dealers, 123; total amount of reorganization and exchange transactions, 24.

#### EXEMPTED TRANSACTIONS

See EXEMPTIVE PROVISIONS.

#### HEDGING CLAUSES

See ORIENTATION.

#### INEFFECTIVE ISSUES

ineffective on account of stop, refusal or withdrawal order, amount of, by industry, 33; percentage of, to total of ineffective issues and effective issues combined, 35. See INVESTMENT TRUSTS.

#### INSTITUTIONAL INVESTORS

importance of securities buying by, 60; effect of S. Act on investment policies of, 80; increased information available to, 81; danger of sale of fraudulent securities to reduced by S. Act, 82; smaller institutions receive less attention from distributors because of S. Act, 81; effect of waiting period on, 83; criticism of S. Act by, 83; value of civil and penal provisions of S. Act to, 88; total bonds purchased compared with all bonds registered under S. Act, 63. See PRIVATE PLACEMENTS.

#### INVESTMENT TRUST ISSUES

effect of S. Act on sale of, 35; investment quality of, 37; number and dollar amount registered under S. Act, 36; dollar amount of withdrawals from registration, 36; selling commissions charges on, 38.

#### INTRA-STATE ISSUES

See EXEMPTIVE PROVISIONS.

#### ISSUE

defined, 110.

*Jones v. Securities and Exchange Comm'n*, 14.

#### LIFE INSURANCE COMPANIES

See INSTITUTIONAL INVESTORS.

#### MARKET AND MARKET OUT CLAUSES

See ORIENTATION.

*National Boston Montana Mines Corp., In re*, 15.

\* As used in this index, the abbreviation "S. Act" refers to the Securities Act of 1933, and "S. E. C.," to the Securities and Exchange Commission.

**OIL AND GAS INTERESTS**

exemptions pertaining to, 93; regulations of S. E. C. affecting, 93-95. See **EXEMPTIVE PROVISIONS**.

**ORIGINATION**

*Prior to S. Act:* mechanics of, 46; basis of selection of originating bankers, 46; investigation of issues by originating bankers, 46; investor reliance on originating banker, 46, 52; unjustified at times, 52; use of "finders," 46; market and market out clauses, 47.

*After S. Act:* investor reliance on originating bankers, 74; increased size of purchase group, 54; reason for, 54, 75; development of novel originating technique, 55; reduced use of "finders," 55; market or market out clauses, increased use of, 56, 78; typical form used, 56; significance and appraisal of use of, 57.

**PEGGING, FIXING AND STABILIZING**

appraisal of, 49, 59, 75.

**PRECIOUS METAL MINING ISSUES**

effect of S. Act on sale of, 35; promotional features of typical issue, 38; investment quality of, 40, 41; costs of distribution of, 41. See **REGISTERED SECURITIES, SECURITIES DISTRIBUTION**.

**PRIVATE PLACEMENTS**

amount of, 20, 21, 64; types of securities and issuers, 21, and percentage registered under S. Act, 20; effect of institutional investor on demand for, 61; advantages of, 78; advantages and disadvantages contrasted, 61, 62, 85; volume of, 62, 84. See **INSTITUTIONAL INVESTORS**.

**PROSPECTUS**

effect of, on disclosure of investment information, 67; appraisal of advantages and disadvantages of, 67, 68, 74; excessive use of, 83; contents of newspaper, 68, and "tombstone" types, 68.

**PUBLIC OFFERING**

what constitutes, 114.

**"RED HERRING" PROSPECTUS**

Description and use of, 58.

**REGISTERED SECURITIES**

what securities must be registered, 5; total amount of, 23; percentage underwritten by industry, 23; total volume of sales of non-underwritten securities, 23; total amount of and intended use of those not intended for immediate cash sale, 22, 28, 29; amount sold for cash, 24; proposed use of proceeds of, 24, 26, 30; total estimated gross proceeds of by industry, 24, 28, and by types of securities, 24, 29. See **EXEMPTIVE PROVISIONS**.

**REGISTRATION STATEMENT**

purpose of, 41; extent purpose accomplished, 80; mechanics of registration, 6; forms used, 11; improvement made in forms, 79; filing fee for, 6; technique of examination of by S. E. C., 11, 12; when effective, 7, 14; amendment of, 14; criticism

of letters of deficiency relative to, 79; withdrawal of, 14, 15, 35, 36; use of stop, refusal and withdrawal orders in connection with, 7, 8; use of letters of deficiency in connection with, 10, 13; cost of preparation of, 69; benefits of to public, 64.

**REORGANIZATION SECURITIES**

See **EXEMPTIVE PROVISIONS**.

**SECURITIES ACT OF 1933**

text references to sections of:

Section 2(3), 99, 100, 123; §2(11), 115, 116, 125-127.

Section 3, 20, 90, 93; §3(a), 6; §3(a), (1), 120, 121; §3(a) (2), 92; §3(a) (3), 93; §3(a) (4), 92; §3(a) (5), 92; §3(a) (6), 92, 104; §3(a) (7), 24, 92; §3(a) (8), 92, 93; §3(a) (9), 95-103, 107; §3(a) (10), 24, 95, 103, 105-107; §3(a) (11), 97, 98, 107-109, 111; §3(b) (6), 93, 98.

Section 4, 6, 20, 90, 112, 119; §4(1), 98, 112, 113, 115, 121, 127; §4(2), 112, 122, 123, 127; §4(3), 96, 97, 102, 103.

Section 5, 17, 88, 89, 111, 123; §5(c), 108.

Section 6, 6.

Section 8, 6-8, 10-13, 15, 16, 118; §8(a), 6, 7, 63; §8(b), 7; §8(d), 6-8, 14, 15, 95.

Section 9(a) (2), 75; §9(a) (6), 75.

Section 10, 76; §10(a), 67.

Section 11, 17, 18, 77, 78; §11(f), 17.

Section 12, 17, 18, 90; §12(1), 17, 109, 111; §12(2), 17, 76, 78.

Section 17, 17, 18, 89; §17(a), 16.

Section 19, 116; §19(b), 18.

**SECURITIES DISTRIBUTION**

estimated costs of, 24, 27, 28, 69; amount of additional costs due to registration requirements, 27; gross underwriting spread on bond flotations, 69, and correlation between gross spreads and yields to maturity, 70.

**SECURITIES AND EXCHANGE COMMISSION**

composition, appointment and salaries of, 3; duties of, 4; divisions of: Legal, 4; Registration, 4, 12; Research, 5; Trading and Exchange, 5; Form and Regulations, 5; Chief Accountant of, 5; Office of Supervisor of Information and Research, 5; hearings and proceedings before, 8; Trial Examiner, duties of, 8; nature and function of report of, 9; authority of to enjoin violations of the S. Act and rules thereunder, 16; investigatory and incidental powers of, 18; attempts of to define trustees' functions, 82; investigation of protective and reorganization committees, 82.

**STATE, COUNTY AND MUNICIPAL SECURITIES**

need for regulation of, 86.

**STOP, REFUSAL AND WITHDRAWAL ORDERS**

See **REGISTRATION STATEMENT**

**SYNDICATION**

*Prior to S. Act:* mechanics of, 47-52; purposes of, 47, 50, 51; types of, 48, 49; speed of, 51, 52;

trading account, use of in, 48, 50, 75, purpose of, 49; extent used, 50; possible weaknesses of, 50; abuse of, 50; losses resulting from use of, 52.

*Since S. Act:* retailing methods not greatly changed, 58, 59, 74-75; selling group, changes in, 58, 76; use of "red herring" prospectus, 58; retention by purchase group of larger participation of securities for own account, 59; trading account, extent of use of, 59, 75; problem of disclosure of, 75-76. See WAITING PERIOD.

**TRIAL EXAMINER**

See SECURITIES AND EXCHANGE COMMISSION.

**UNDERWRITING AND DISTRIBUTION**

costs of, 51. See ORIGINATION AND SYNDICATION.

**WAITING PERIOD**

purpose of, 64; purpose defeated, 77; "beating the gun," 65, 73, 83; as affecting "high pressure" salesmanship, 65, 74; as productive of "bootlegging," 74. See INSTITUTIONAL INVESTORS.