

### Appendix III-3

Proposed rule which would permit the use of a short form prospectus on exercise of warrants sold under a prior full registration statement.

Amend Rule 427 to add a new Section (c) to read as follows:

If registered securities are to be offered to the holders of outstanding warrants or rights upon the exercise thereof and such warrants or rights are exercised more than nine months after the effective date of the registration statement relating to such warrants or rights, a prospectus filed as part of an amendment to such registration statement may be prepared in accordance with the requirements of Form S-17, provided (1) the issuer is on the Commission's Rule 164 "Qualified List," and (2) no commission or other remuneration is paid or payable by the issuer for the exercise of such warrants.