

Appendix I-1

CONDENSED LIST OF RECOMMENDATIONS

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<u>Chapter III</u>	
1. Deny acceleration to registration statements where the prospectus is unnecessarily long, complex or verbose.	80
2. Require a “guide” to the text of any prospectus where the text exceeds 10 pages in length.	84-88
3. Require a statement of source and application of funds in the prospectus (and also in Forms 10 and 10-K; see Chapter X) and establish standards for such statements.	90-91
4. Improve disclosures in Form S-1 as to the experience and background of top management.	93-95
5. Make Form S-7 available to a larger group of issuers.	96-98
6. Adopt a “short form” prospectus for (1) certain secondary offerings of securities of reporting companies on exchanges; (2) offerings of stock of reporting companies to be issued on exercise of publicly held warrants; and (c) offerings of securities of reporting companies issuable on conversion of publicly held securities of an affiliated corporation.	98-103
7. Adopt Rule 157 under the '33 Act relating to the reasonable investigation required to be made by a broker under Section 11 who acts as underwriter in the distribution of securities in secondary offerings where the “short form” prospectus is permitted to be used.	100-101
8. Consider techniques for condensing financial statements of large and complex corporations. (The same recommendation is made in slightly different context in Chapter VII and in Chapter XI).	81
9. Improve requirements for financial reporting by life insurance companies; urge prompt completion of AICPA committee’s work on this subject.	91-93
<u>Chapter IV</u>	
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12. Revise Rule 174 to eliminate post-offering prospectus delivery in registered offerings by reporting companies. (Rule 174 would be redesignated Rule 194 under the structure proposed in Appendix VI-2).	121-122
<u>Chapter V</u>	
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15. Clarify the time when '33 Act restrictions on publication activities of broker-dealers begin.	139-140
16. Adopt a rule specifying that publication restrictions do not apply to non-participants who are truly independent of the broker-dealer firms participating in a registered public offering of securities of a reporting company.	140-141
17. Adopt a rule to the effect that if an issuer meets the standards for Form S-7, expressions of opinion about its common stock are permissible when a registration statement relating only to non-convertible senior securities is pending, and vice versa.	142-143
18. Adopt a rule permitting a participant in a distribution to include the securities being underwritten in a regularly published broad list of recommended securities.	143-145
19. Permit factual, follow-up reporting on previously recommended securities at any time.	145-146
20. Permit pre-filing distribution under appropriate conditions of market letters or industry surveys fully prepared and delivered to printers before the securities firm reaches an understanding that it will participate in the underwriting.	147-148

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21. Permit a broker to publish recommendations as to a security the subject of a shelf-registration up to the time he receives an order to sell.	148
 <u>Chapter VI</u>	
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(a) Rule 160, specifying those persons not deemed to "control" an issuer.	
(b) Rule 161, defining a "restricted security."	
(c) Rule 162, defining a "distribution" for purposes of Section 2(11).	
(d) Rule 163, defining certain terms in Section 2(11) to mean that a person who disposes of a "restricted security" in a "distribution" is an "underwriter."	
(e) Rule 164, specifying those issuers whose securities may be sold without registration in certain types of secondary offerings excepted from the definition of "distribution."	
(f) Rules 180 and 181 relating to transactions not involving any public offering.	182-215
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26. Rescind Rule 155.	236-238
27. Adopt a definitional rule specifying those persons who are deemed not to "control" the issuer.	245-247

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28. Amend Rule 251 under Regulation A to include the substance of the foregoing definitional rule relating to “control.”	246
<u>Chapter VII</u>	
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30. Adopt proposed Form S-16 for registration of securities offered in connection with business combinations other than those resulting from voluntary exchanges of securities.	281
31. Adopt proposed Rule 153A relating to delivery of prospectuses when registration is accomplished on form S-16.	285
32. Adopt proposed Rule 169 specifying that certain persons are not deemed to be underwriters in offerings resulting in business combinations.	287
33. Amend Rule 135 to permit timely disclosure of proposed business combinations.	283
34. Amend Rule 174 to eliminate post-effective prospectus delivery requirements for securities issued in connection with business combinations. (Rule 174 would be redesignated Rule 194; see chapter VI.)	286-287
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<u>Chapter VIII</u>	
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<u>Chapter IX</u>	
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<u>Chapter X</u>	
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46. Adopt Form 10-Q as a substitute for Forms 8-K and 9-K, to be filed quarterly, except for the report of a material acquisition or disposition of assets, which should be filed within 10 days after a written contract is executed relative to such acquisition or disposition. The proposed form includes condensed comparative financial information for the first three fiscal quarters, not required to be audited or subject to Section 18 liabilities.	356-361
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