

APPENDIX VII-A : TABLE 16.—Distribution of value of reported over-the-counter sales of stocks among registered broker-dealers classified by exchange membership (1961)

Estimated value of sales (thousand dollars)	All broker-dealers		New York Stock Exchange members		American Stock Exchange members ¹		Regional exchange members ²		Non-exchange members			
	Number of firms	Percent of total	Number of firms	Percent of total	Number of firms	Percent of total	Number of firms	Percent of total	NASD members		Non-NASD members	
									Number of firms	Percent of total	Number of firms	Percent of total
Total.....	3,186	100.0	543	100.0	22	100.0	417	100.0	2,063	100.0	141	100.0
100,000 and over.....	67	2.1	43	7.9	-----	-----	5	1.2	19	.9	-----	-----
50,000 to 99,999.....	67	2.1	40	7.3	1	4.6	18	4.3	8	.4	-----	-----
10,000 to 49,999.....	350	11.0	158	29.1	5	22.7	71	17.0	113	5.5	3	2.1
5,000 to 9,999.....	248	7.8	81	14.9	2	9.1	57	13.7	106	5.1	2	1.4
2,500 to 4,999.....	309	9.7	53	9.8	1	4.6	49	11.7	198	9.6	8	5.7
1,000 to 2,499.....	454	14.2	53	9.8	1	4.5	74	17.7	312	15.1	14	9.9
500 to 999.....	335	10.5	35	6.4	2	9.1	34	8.2	249	12.1	15	10.7
100 to 499.....	650	20.4	45	8.3	3	13.6	70	16.8	498	24.1	34	24.1
50 to 99.....	210	6.6	14	2.6	3	13.6	19	4.6	159	7.7	15	10.6
Less than 50.....	496	15.6	21	3.9	4	18.2	20	4.8	401	19.5	50	35.5
Average value of sales (thou- sands).....	\$10,945		\$35,315		\$8,587		\$9,850		\$5,456		\$1,012	

¹ Regular members only; excludes broker-dealers who are also members of the New York Stock Exchange.
² Regular members only; excludes broker-dealers who are also members of the New York or American Stock Exchanges.
³ Excludes 117 broker-dealers who were unable to estimate their sales in 1961 and 1,661 broker-dealers who had no sales.

NOTE.—Table includes estimated sales by broker-dealers for their own account and for the account of others. It does not represent total volume of sales since it does not include sales by the public to broker-dealers acting as principal and also includes some duplication of dealer sales where 1 dealer acted as broker for another dealer.

APPENDIX VII-A: TABLE 17.—*Reported over-the-counter sales of stocks by registered broker-dealers classified by location (location of main office by NASD districts, 1961)*

NASD district	Broker-dealers		Estimated shares sold		Estimated value of sales	
	Number	Percent of total	Number (thousands)	Percent of total	Amount (thousand dollars)	Percent of total
Total.....	13,186	100.0	2,259,862	100.0	34,870,408	100.0
District No. 1 (Alaska, Idaho, Montana, North Dakota, Oregon, South Dakota, and Washington).....	95	3.0	41,876	1.8	255,902	.7
District No. 2 (California, Nevada, and Hawaii).....	268	8.4	287,470	12.7	3,226,830	9.2
District No. 3 (Arizona, Colorado, New Mexico, Utah, and Wyoming).....	93	2.9	96,250	4.3	560,950	1.6
District No. 4 (Kansas, Missouri, Nebraska, and Oklahoma).....	124	3.9	47,279	2.1	828,689	2.4
District No. 5 (Alabama, Arkansas, Louisiana, and Mississippi) ²	74	2.3	12,821	.6	172,000	.5
District No. 6 (Texas).....	119	3.7	69,502	3.1	1,044,961	3.0
District No. 7 (Florida, Georgia, South Carolina, and Tennessee) ²	157	4.9	51,840	2.3	666,173	1.9
District No. 8 (Illinois, Indiana, Iowa, Michigan, Minnesota, and Wisconsin).....	326	10.2	165,157	7.3	2,675,464	7.7
District No. 9 (Kentucky and Ohio).....	120	3.8	36,659	1.6	661,148	1.9
District No. 10 (District of Columbia, Maryland, North Carolina, and Virginia).....	135	4.3	68,493	3.0	1,064,110	3.1
District No. 11 (Delaware, Pennsylvania, and West Virginia) ³	182	5.7	72,292	3.2	1,400,156	4.0
District No. 12 (Connecticut, New Jersey, and New York) ³	1,298	40.8	1,261,112	55.8	21,281,991	61.0
District No. 13 (Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont).....	191	6.0	47,505	2.1	1,030,204	3.0
Foreign.....	4	.1	1,606	.1	1,830	0

¹ Excludes 117 broker-dealers who were unable to estimate their sales in 1961 and 1,661 broker-dealers who had no sales.

² The NASD divides Tennessee between district Nos. 5 and 7; in this table, Tennessee is included in district No. 7.

³ The NASD divides New Jersey between district Nos. 11 and 12; in this table, New Jersey is included in district No. 12.

NOTE.—Table includes estimated sales by broker-dealers for their own account and for the account of others. It does not represent total volume of sales since it does not include sales by the public to broker-dealers acting as principal and also includes some duplication of dealer sales where 1 dealer acted as broker for another dealer.

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APPENDIX VII-A: TABLE 18.—*Reported over-the-counter purchases and sales of stocks by registered broker-dealers classified by exchange membership (Jan. 18, 1962)*

Exchange membership	Number of broker-dealers	Number of shares purchased and sold (thousands)	Value of purchases and sales (thousand dollars)
All stocks			
All broker-dealers, total.....	1 2,051	12,885	186,956
New York Stock Exchange members.....	497	5,453	93,228
American Stock Exchange members ²	13	57	701
Regional exchange members ³	345	1,718	20,694
Non-exchange members:			
Members of NASD.....	1,154	5,592	71,632
Non-NASD members.....	42	65	701
Over-the-counter stocks			
All broker-dealers, total.....	1,933	12,257	165,411
New York Stock Exchange members.....	491	5,389	89,610
American Stock Exchange members ²	13	54	490
Regional exchange members ³	329	1,658	18,816
Non-exchange members:			
Members of NASD.....	1,063	5,095	55,964
Non-NASD members.....	37	61	531
Exchange stocks			
All broker-dealers, total.....	578	628	21,545
New York Stock Exchange members.....	69	64	3,618
American Stock Exchange members ²	3	3	211
Regional exchange members ³	71	60	1,878
Non-exchange members:			
Members of NASD.....	427	497	15,668
Non-NASD members.....	8	4	170

¹ Excluding duplications where a broker-dealer had transactions in both over-the-counter and exchange stocks.

² Regular members only; excludes broker-dealers who are also members of the New York Stock Exchange.

³ Regular members only; excludes broker-dealers who are also members of the New York or American Stock Exchanges.

NOTE.—Table includes purchases and sales by broker-dealers for their own account and for the account of others. It does not represent total volume of purchases and sales since it does not include transactions by the public where the dealer acted as principal and also includes some duplication of dealer transactions where 1 dealer acted as broker for another dealer.

APPENDIX VII-A: TABLE 19.—*Reported over-the-counter sales of stocks by registered broker-dealers classified by primary activity and exchange membership (1961)*

Primary activity	All broker-dealers	New York Stock Exchange members	American Stock Exchange members ¹	Regional exchange members ²	Non-exchange members
(a) Number of broker-dealers					
All activities	3,186	543	22	417	2,204
Exchange commission house.....	535	411	12	112	-----
Specialist, floor broker or other exchange activity.....	64	48	4	12	-----
Wholesale over-the-counter broker-dealer.....	352	8	2	31	311
Retail over-the-counter broker-dealer.....	1,200	35	2	171	992
Underwriter or distributor.....	326	33	1	47	245
Mutual fund sales.....	615	1	-----	36	578
Other securities business ⁴	66	5	1	3	57
Commodity broker.....	6	2	-----	3	1
Miscellaneous activities ⁵	22	-----	-----	2	20
(b) Estimated number of shares sold (thousands)					
All activities	2,259,862	1,068,878	14,500	342,136	834,348
Exchange commission house.....	950,930	873,962	5,700	71,268	-----
Specialist, floor broker or other exchange activity.....	32,599	31,305	101	1,193	-----
Wholesale over-the-counter broker-dealer.....	596,846	30,233	513	79,617	486,483
Retail over-the-counter broker-dealer.....	495,332	78,547	2,468	141,866	272,451
Underwriter or distributor.....	147,150	52,168	1,218	42,309	51,455
Mutual fund sales.....	20,675	400	-----	5,623	14,652
Other securities business ⁴	14,998	1,540	4,500	102	8,856
Commodity broker.....	814	723	-----	90	1
Miscellaneous activities ⁵	518	-----	-----	68	450
(c) Estimated value of sales (thousand dollars)					
All activities	34,870,408	19,175,848	188,920	4,107,253	11,398,387
Exchange commission house.....	16,511,832	15,908,745	49,345	553,742	-----
Specialist, floor broker or other exchange activity.....	66,993	48,467	454	18,072	-----
Wholesale over-the-counter broker-dealer.....	9,226,595	867,810	11,642	896,651	7,450,492
Retail over-the-counter broker-dealer.....	6,233,470	1,382,277	74,155	1,772,154	3,004,884
Underwriter or distributor.....	2,342,655	916,307	18,324	810,865	597,159
Mutual fund sales.....	238,434	2,849	-----	52,915	182,670
Other securities business ⁴	233,223	39,943	35,000	1,931	156,349
Commodity broker.....	10,150	9,450	-----	685	15
Miscellaneous activities ⁵	7,056	-----	-----	238	6,818

¹ Regular members only; excludes broker-dealers who are also members of the New York Stock Exchange.

² Regular members only; excludes broker-dealers who are also members of the New York or American Stock Exchanges.

³ Excludes 117 broker-dealers who were unable to estimate their sales in 1961 and 1,661 broker-dealers who had no sales.

⁴ Includes, among others, foreign stock exchange commission houses, put and call brokers, investment advisers and arbitragers.

⁵ Includes, among others, management consultants, foreign exchange brokers and firms dealing in real estate and mortgages, real estate syndications, oil and gas royalties, savings and loan share accounts and insurance.

NOTE.—Table includes estimated sales by broker-dealers for their own account and for the account of others. It does not represent total volume of sales since it does not include sales by the public to broker-dealers acting as principal and also includes some duplication of dealer sales where 1 dealer acted as broker for another dealer.

APPENDIX VII-A: TABLE 20.—Reported over-the-counter sales of stocks by registered broker-dealers classified by primary and secondary activities (1961)

Primary activity	Secondary activity										No secondary activity
	Total	Exchange commission house	Other exchange activity	Wholesale OTC broker-dealer	Retail OTC broker-dealer	Underwriter or distributor	Mutual fund sales	Other securities business ¹	Commodity broker	Miscellaneous activities ²	
All activities.....	3,186	232	55	611	1,090	291	506	76	31	19	275
Exchange commission house.....	535	37	52	48	230	95	37	29	18	2	24
Specialist, floor broker, or other exchange activity.....	64	14	3	3	5	24	1	4	3	1	14
Wholesale over-the-counter broker-dealer.....	352	113	3	409	227	157	22	17	7	7	49
Retail over-the-counter broker-dealer.....	1,200	27	3	75	163	7	401	10	7	1	89
Underwriter or distributor.....	326	27	3	62	436	7	35	7	7	1	15
Mutual fund sales.....	615	9	3	9	22	7	3	7	7	8	68
Other securities business ¹	66	5	1	5	1	1	7	1	3	16	16
Commodity broker.....	6	5	1	6	6	1	7	1	3	1	6
Miscellaneous activities ²	22	5	1	5	6	1	7	1	3	1	6
(c) Number of broker-dealers											
All activities.....	2,259,862	180,055	26,395	404,033	814,895	524,542	115,213	55,295	49,164	3,147	87,123
Exchange commission house.....	950,930	3,742	22,471	120,354	450,328	267,825	10,817	29,868	46,043	1,279	1,945
Specialist, floor broker, or other exchange activity.....	32,599	35,236	3,924	27,597	1,185	171,390	6	33	2,083	1,087	36
Wholesale over-the-counter broker-dealer.....	596,846	95,003	3,924	210,274	280,421	82,334	1,701	21,336	2,929	1,731	79,668
Retail over-the-counter broker-dealer.....	495,332	37,518	3,924	38,050	66,673	1,062	99,531	1,955	10	40	4,575
Underwriter or distributor.....	147,150	1,281	1,677	1,281	15,510	1,905	3,063	1,244	10	592	246
Mutual fund sales.....	20,675	6,065	1,677	6,226	657	1,905	83	1,859	40	40	246
Other securities business ¹	14,998	813	1	251	120	26	12	1	109	1	61
Commodity broker.....	814	813	1	251	120	26	12	1	109	1	61
Miscellaneous activities ²	518	813	1	251	120	26	12	1	109	1	61
(d) Estimated number of shares sold (thousands)											
All activities.....	2,259,862	180,055	26,395	404,033	814,895	524,542	115,213	55,295	49,164	3,147	87,123
Exchange commission house.....	950,930	3,742	22,471	120,354	450,328	267,825	10,817	29,868	46,043	1,279	1,945
Specialist, floor broker, or other exchange activity.....	32,599	35,236	3,924	27,597	1,185	171,390	6	33	2,083	1,087	36
Wholesale over-the-counter broker-dealer.....	596,846	95,003	3,924	210,274	280,421	82,334	1,701	21,336	2,929	1,731	79,668
Retail over-the-counter broker-dealer.....	495,332	37,518	3,924	38,050	66,673	1,062	99,531	1,955	10	40	4,575
Underwriter or distributor.....	147,150	1,281	1,677	1,281	15,510	1,905	3,063	1,244	10	592	246
Mutual fund sales.....	20,675	6,065	1,677	6,226	657	1,905	83	1,859	40	40	246
Other securities business ¹	14,998	813	1	251	120	26	12	1	109	1	61
Commodity broker.....	814	813	1	251	120	26	12	1	109	1	61
Miscellaneous activities ²	518	813	1	251	120	26	12	1	109	1	61

(c) Estimated value of sales (thousand dollars)

All activities.....	34,870,408	3,100,370	327,821	5,670,828	11,953,295	9,961,850	1,168,037	1,077,265	664,284	46,651	900,007
Exchange commission house.....	16,511,832		249,264	2,303,899	7,466,759	4,880,691	188,944	742,701	641,595	12,941	25,038
Specialist, floor broker, or other exchange activity.....	66,993	46,853		5,616	13,089		250	444			741
Wholesale over-the-counter broker-dealer.....	9,226,595	832,569	78,557		3,324,356	3,915,815	15,034	225,027	1,979	23,219	810,039
Retail over-the-counter broker-dealer.....	6,233,470	1,484,896		2,541,063		1,152,688	930,297	38,816	20,349	9,255	56,106
Underwriter or distributor.....	2,342,655	639,328		671,384	959,563		31,670	37,656		50	3,004
Mutual fund sales.....	238,434	11,110		14,016	168,614	6,962		32,621		1,188	3,925
Other securities business ¹	233,223	75,479		129,275	20,044	5,664	1,607				1,154
Commodity broker.....	10,150	10,135			15						
Miscellaneous activities ²	7,056			5,575	855	30	235		361		

¹ Includes, among others, foreign stock exchange commission houses, put and call brokers, investment advisers and arbitragers.

² Includes among others, management consultants, foreign exchange brokers and firms dealing in real estate and mortgages, real estate syndications, oil and gas royalties, savings and loan share accounts and insurance.

³ Excludes 117 broker-dealers who were unable to estimate their sales in 1961 and 1,661 broker-dealers who had no sales.

NOTE.—Table includes estimated sales by broker-dealers for their own account and for the account of others. It does not represent total volume of sales since it does not include sales by the public to broker-dealers acting as principal and also includes some duplication of dealer sales where 1 dealer acted as broker for another dealer.

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APPENDIX VII-A: TABLE 21.—Sample of issuers of over-the-counter stock classified by price of stock (December 1961)

[Number of issuers]

Price of stock per share ¹	All issuers	Industrial and others	Banks	Insurance
Total.....	1, 618	1, 164	358	96
\$0.01 to \$0.99.....	106	105	1	0
\$1.00 to \$4.99.....	267	244	3	20
\$5.00 to \$9.99.....	201	182	3	16
\$10.00 to \$19.99.....	221	197	17	7
\$20.00 to \$49.99.....	391	233	134	24
\$50.00 and over.....	355	138	189	28
Not reported ²	77	65	11	1

¹ The price represents the high bid closest to Dec. 31, 1961, obtained from National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962).

² If there was no bid for the month of December, the issuer has been listed as not reported.

NOTE.—Sample includes approximately 1 out of 5 issuers listed in National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962). Where an issuer had several classes of stock, the one selected refers to that with the largest number of shareholders.

APPENDIX VII-A: TABLE 22.—Sample of issuers of over-the-counter stock classified by number of stock transfers (Jan. 1 to Dec. 31, 1961)¹

[Number of issuers]

Number of stock transfers ²	All issuers	Industrial and others	Banks	Insurance
Total.....	1, 618	1, 164	358	96
1 to 24.....	433	260	164	9
25 to 49.....	128	78	43	7
50 to 99.....	121	70	41	10
100 to 199.....	118	85	29	4
200 to 499.....	179	130	31	18
500 to 999.....	174	146	13	15
1,000 to 1,999.....	157	134	11	12
2,000 and over.....	184	166	5	13
Not reported.....	124	95	21	8

¹ In a small number of instances a 1-year period close to Jan. 1, 1961 to Dec. 31, 1961, has been used.

² Excludes transactions not involving changes of ownership: e.g., in mergers, consolidations, recapitalizations, stock dividends, stock splits, etc.

NOTE.—Sample includes approximately 1 out of 5 issuers listed in National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962). Where an issuer had several classes of stock, the one selected refers to that with the largest number of shareholders.

APPENDIX VII-A: TABLE 23.—Comparison of number of stock transfers in 1961 with number of sales on a typical day (over-the-counter sales on Jan. 18, 1962, in 200 selected stocks)

[Number of stocks]

Number of stock transfers in 1961 ¹	All stocks	Number of sales on Jan. 18, 1962						
		None	1 to 5	6 to 10	11 to 25	26 to 50	51 to 100	Over 100
Total.....	200	65	58	24	25	15	10	-3
Less than 500.....	54	33	14	3	3	1		
500 to 999.....	14	3	7	1	3			
1,000 to 1,999.....	20	6	7	3	3	1		
2,000 to 2,999.....	14		4	7	2	1		
3,000 to 4,999.....	18	1	7	3	5	2		
5,000 to 9,999.....	14	1	2		4	4	3	
10,000 and over.....	13		1		2	2	5	3
Not reported.....	² 53	21	16	7	3	4	2	

¹ In a small number of instances a 1-year period close to Jan. 1, 1961 to Dec. 31, 1961, has been used. Excludes transactions not involving changes of ownership: e.g., in mergers, consolidations, recapitalizations, stock dividends, stock splits, etc.

² Includes 3 listed stocks and stocks of foreign corporations.

APPENDIX VII-A: TABLE 24.—Comparison of shares transferred in 1961 with shares sold on a typical day (over-the-counter sales on Jan. 18, 1962, in 200 selected stocks)

[Number of stocks]

Number of shares transferred in 1961 ¹ (thousands)	All stocks	Number of shares sold on Jan. 18, 1962							
		None	1 to 249	250 to 499	500 to 999	1,000 to 1,999	2,000 to 4,999	5,000 to 9,999	10,000 and over
Total.....	200	65	26	26	17	19	24	14	9
Less than 100.....	48	30	6	6	1	3	2		
100 to 199.....	26	8	7	4	4	1	2		
200 to 499.....	26	3	3	5	5	4	4	1	1
500 to 999.....	26	1	4	1	2	5	7	4	2
1,000 to 1,999.....	12	1		2	1		5	3	
2,000 and over.....	9			1			2	1	5
Not reported.....	² 53	22	6	7	4	6	2	5	1

¹ In a small number of instances a 1-year period close to Jan. 1, 1961 to Dec. 31, 1961, has been used. Excludes transactions not involving changes of ownership: e.g., in mergers, consolidations, recapitalizations, stock dividends, stock splits, etc.

² Includes 3 listed stocks and stocks of foreign corporations.

APPENDIX VII-A: TABLE 25.—Sample of issuers of over-the-counter stock classified by number of broker-dealers "entering quotations" (Oct. 1 to Dec. 31, 1961)

[Number of issuers]

Number of broker-dealers "entering quotations" ¹	All issuers	Industrial and others	Banks	Insurance
Total.....	1,618	1,164	358	96
None.....	715	395	287	33
1.....	168	130	28	10
2 to 3.....	203	169	21	13
4.....	74	60	5	9
5 to 9.....	273	242	11	20
10 and over.....	185	168	6	11

¹ Limited to broker-dealers who entered both a "bid" and "offer" in National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962).

NOTE.—Sample includes approximately 1 out of 5 issuers listed in the National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962). Where an issuer had several classes of stock, the one selected refers to that with the largest number of shareholders.

 APPENDIX VII-A: TABLE 26.—Sample of issuers of over-the-counter stock classified by amount of assets (Dec. 31, 1961)¹

[Number of issuers]

Amount of assets (thousand dollars)	All issuers	Industrial and others	Banks	Insurance
Total.....	1,618	1,164	358	96
1 to 249.....	105	102	2	1
250 to 499.....	111	109		2
500 to 749.....	103	98	2	3
750 to 999.....	58	55	2	1
1,000 to 1,999.....	188	163	11	14
2,000 to 2,999.....	138	116	16	6
3,000 to 4,999.....	157	111	34	12
5,000 to 9,999.....	245	164	70	11
10,000 to 19,999.....	163	91	64	8
20,000 and over.....	341	147	156	38
Not reported.....	9	8	1	

¹ In a small number of instances the information shown is as of a date close to Dec. 31, 1961.

NOTE.—Sample includes approximately 1 out of 5 issuers listed in National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962).

APPENDIX VII-A: TABLE 27.—*Sample of issuers of over-the-counter stock classified by number of shareholders (Dec. 31, 1961)*¹

[Number of issuers]

Number of shareholders	All issuers	Industrial and others	Banks	Insurance
Total.....	1, 618	1, 164	358	96
1 to 24.....	51	42	8	1
25 to 99.....	228	129	93	6
100 to 199.....	193	121	67	5
200 to 299.....	133	89	39	5
300 to 499.....	234	182	44	8
500 to 749.....	179	138	36	5
750 to 999.....	129	105	15	9
1,000 to 1,999.....	199	153	25	21
2,000 to 2,999.....	108	78	14	16
3,000 to 4,999.....	82	64	9	9
5,000 and over.....	74	55	8	11
Not reported.....	8	8		

¹ In a small number of instances the information shown is as of a date close to Dec. 31, 1961.

NOTE.—Sample includes approximately 1 out of 5 issuers listed in National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962). Where an issuer had several classes of stock, the one selected refers to that with the largest number of shareholders.

APPENDIX VII-A: TABLE 28.—*Sample of issuers of over-the-counter stock classified by percent of stock held by broker-dealers and banks (Dec. 31, 1961)*¹

[Number of issuers]

Percent held by broker-dealers and banks ²	All issuers	Industrial and others	Banks	Insurance
Total.....	1, 618	1, 164	358	96
1 to 9.....	446	355	65	26
10 to 19.....	298	258	30	10
20 to 29.....	108	88	11	9
30 to 49.....	98	82	8	8
50 and over.....	34	25	6	3
Not reported.....	634	356	238	40

¹ In a small number of instances the information shown is as of a date close to Dec. 31, 1961.² Limited to holdings which are registered in street names of broker-dealers or nominees of banks.

NOTE.—Sample includes approximately 1 out of 5 issuers listed in National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962). Where an issuer had several classes of stock, the one selected refers to that with the largest number of shareholders.

APPENDIX VII-A: TABLE 29.—*Sample of issuers of over-the-counter stock classified by number of shares outstanding (Dec. 31, 1961)*¹

[Number of issuers]

Number of shares outstanding (thousands)	All issuers	Industrial and others	Banks	Insurance
Total.....	1, 618	1, 164	358	96
1 to 99.....	591	332	241	18
100 to 199.....	200	152	37	11
200 to 299.....	141	115	20	6
300 to 499.....	224	196	13	15
500 to 999.....	214	180	13	21
1,000 and over.....	226	183	18	25
Not reported.....	22	6	16	

¹ In a small number of instances the information shown is as of a date close to Dec. 31, 1961.

NOTE.—Sample includes approximately 1 out of 5 issuers listed in National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962). Where an issuer had several classes of stock, the one selected refers to that with the largest number of shareholders.

APPENDIX VII-A: TABLE 30.—*Sample of issuers of over-the-counter stock classified by percent of stock held by 10 largest record holders (Dec. 31, 1961)*¹

[Number of issuers]

Percent held by 10 largest record holders ²	All issuers	Industrial and others	Banks	Insurance
Total.....	1,618	1,164	358	96
1 to 29.....	305	187	98	20
30 to 39.....	220	132	65	23
40 to 49.....	180	125	39	16
50 and over.....	827	691	101	35
Not reported.....	86	29	55	2

¹ In a small number of instances the information shown is as of a date close to Dec. 31, 1961.

² Includes holdings in street name and in names of bank nominees. The figures therefore may be an overstatement of the amount of concentration of holdings.

NOTE.—Sample includes approximately 1 out of 5 issuers listed in National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962). Where an issuer had several classes of stock, the one selected refers to that with the largest number of shareholders.

APPENDIX VII-A: TABLE 31.—*Sample of issuers of over-the-counter stock classified by market value of outstanding stock (December 1961)*

[Number of issuers]

Market value ¹ (thousand dollars)	All issuers	Industrial and others	Banks	Insurance
Total.....	1,618	1,164	358	96
1 to 249.....	238	187	49	2
250 to 499.....	153	106	46	1
500 to 999.....	229	159	59	11
1,000 to 4,999.....	449	332	86	31
5,000 to 9,999.....	166	118	35	13
10,000 and over.....	308	214	57	37
Not reported.....	75	48	26	1

¹ Includes value of all classes of outstanding stock.

NOTE.—Sample includes approximately 1 out of 5 issuers listed in National Quotation Bureau, Inc., the National Monthly Stock Summary (Jan. 1, 1962).

APPENDIX VII-B

QUESTIONNAIRE OTC-3

OVER-THE-COUNTER QUESTIONNAIRE
TO ALL REGISTERED BROKER-DEALERS



SPECIAL STUDY OF
SECURITIES MARKETS

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON 25, D.C.

March 19, 1962

TO: All Broker-Dealers Registered with the Commission

Gentlemen:

Under the provisions of Public Law 87-196, approved by the President on September 5, 1961, the Commission is authorized and directed to make a study and investigation of the securities markets and rules and practices relating thereto. The Commission has adopted an order of investigation authorizing members of its staff assigned to the Special Study of Securities Markets to conduct the study and investigation pursuant to Public Law 87-196.

The enclosed questionnaire is being sent to all members of the National Association of Securities Dealers and to all other broker-dealers who are registered with the Commission.

Questions 1 through 5 are designed to obtain general information about the size and nature of your business and the growth of over-the-counter activity in the past decade. Questions 6 through 9 are designed to obtain detailed information about industry-wide over-the-counter transactions in specific securities in very limited periods; these securities were selected on a random sampling basis and their selection in no way implies any question about the particular securities or your trading activities, if any, in them. Question 10 concerns margin accounts. Questions 11 through 17 seek information about industry practices with respect to entering listings in the "sheets" of the National Quotation Bureau and "making markets" in stocks of companies in which partners or officers are directors.

Certain questions are factual in nature; others ask for your comments and opinions. If the conclusions reached by this Study are to be sound ones, it is essential that all questions be answered fully and carefully. We must also ask you to cooperate by submitting your reply not later than April 9, 1962.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Milton H. Cohen".

Milton H. Cohen
Director

Budget Bureau Approval
No. 73-6202

Form OTC-3

SPECIAL STUDY OF SECURITIES MARKETS

Securities and Exchange Commission
Washington 25, D. C.QUESTIONNAIRE

Name of Firm: _____

Address of Main Office: _____

Locations of Branch Offices: _____
(give city and state only)

INSTRUCTIONS

Every question in this questionnaire and every form appended to it should be completed in full. If there is no information to report or if the question is not applicable, you should answer "None" or "Not Applicable." If the space provided for any answer herein is insufficient, the complete answer should be prepared on a separate sheet to be attached to the questionnaire and identified as "Answer to Question ____." Please fill in the name of your firm in the space provided at the top of each page of the questionnaire.

Form A is provided for you to enter information on all transactions in the over-the-counter market by your firm on January 18, 1962. Form B and Form C are provided for you to enter details of your over-the-counter transactions on January 18, 1962 as principal and agent, respectively, in a selected list of stocks which are shown on Schedule I attached. Form D and Form E are provided to enter details of your over-the-counter transactions from January 18 through February 9, 1962 as principal and agent, respectively, in a selected list of stocks which are shown on Schedule II attached. You should consider all instructions set forth on the reverse side of the attached forms in connection with your responses.

Your attention is directed to the provisions of Title 18, U.S.C., Section 1001, which makes it a criminal offense to submit false information to a federal government agency.

The completed questionnaire together with appended forms should be returned to: Securities and Exchange Commission, Special Study of Securities Markets, Washington 25, D. C.

Additional copies of Forms A, B, C, D, and E may be obtained by mailing the enclosed order form to Securities and Exchange Commission, Publications Unit, Washington 25, D. C. or directly from any regional office of the Commission. Any questions regarding this questionnaire may be addressed to any one of the following persons:

Robert D. Tucker
 Securities and Exchange Commission
 Special Study of Securities Markets
 Washington 25, D. C.
 Worth 2-3008

Daniel J. Schatz
 Securities and Exchange Commission
 Special Study of Securities Markets
 Washington 25, D. C.
 Worth 2-1891

Richard M. Meyer
 Securities and Exchange Commission
 New York Regional Office
 225 Broadway
 New York 7, New York
 Rector 2-6363

* * * * *

1. Indicate whether your firm is a member of any national securities exchange or of the National Association of Securities Dealers, Inc.

(Check appropriate boxes)

- | | |
|--|--------------------------|
| (1) No exchange | <input type="checkbox"/> |
| (2) New York Stock Exchange | <input type="checkbox"/> |
| (3) American Stock Exchange | <input type="checkbox"/> |
| (4) Any other national securities exchange | <input type="checkbox"/> |

Specify: _____

- (5) National Association of Securities Dealers, Inc.

750 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

2. Indicate the principal activities of your firm, based on proportion of firm's gross income (gross commissions, fees, trading profits, etc.) received from each activity:

	<u>Primary Activity</u> (check one)	<u>Secondary Activities</u> (mark appropriate boxes*)
(1) Exchange commission house	<input type="checkbox"/>	<input type="checkbox"/>
(2) Other activity on an exchange (for example, specialist, floor trader, odd-lot dealer)	<input type="checkbox"/>	<input type="checkbox"/>
(3) Underwriter and distributor	<input type="checkbox"/>	<input type="checkbox"/>
(4) Over-the-counter broker-dealer in stocks and bonds, dealing with other broker-dealers	<input type="checkbox"/>	<input type="checkbox"/>
(5) Over-the-counter broker-dealer in stocks and bonds, dealing with individuals and other public customers	<input type="checkbox"/>	<input type="checkbox"/>
(6) Commodity broker	<input type="checkbox"/>	<input type="checkbox"/>
(7) Mutual fund sales	<input type="checkbox"/>	<input type="checkbox"/>
(8) Other activities _____ (Specify)	<input type="checkbox"/>	<input type="checkbox"/>

* Insert "2" in box for most important secondary activity, "3" for next most important activity, and "4" for next most important activity.

3. Indicate whether in your over-the-counter activities you specialize in specific types of securities and in which types you specialize:

	(check appropriate boxes)
(1) No specialization	<input type="checkbox"/>
(2) Government and municipal bonds	<input type="checkbox"/>
(3) Corporate bonds	<input type="checkbox"/>
(4) Stocks also traded on exchanges	<input type="checkbox"/>
(5) Mutual fund shares	<input type="checkbox"/>
(6) Over-the-counter stocks of specific industries	<input type="checkbox"/>
Specify industry: _____ _____	
(7) Other types	<input type="checkbox"/>
Specify: _____ _____	

4. Estimate below the share volume and dollar value of all your over-the-counter sales of stocks effected for your own account and for the account of your customers during the years 1949, 1955 and 1961. Include in your estimate transactions in both over-the-counter stocks and exchange stocks traded by your firm over the counter. Exclude sales effected by your firm as a member of a syndicate or selling group and sales of mutual fund shares.

Note: If your business has succeeded to the business of one or more predecessors, include the volume of business of such predecessors in the years 1949 and 1955 for the purpose of this question.

	<u>Number of Shares Sold</u>	<u>Value of Shares Sold</u>
1949	_____	\$ _____
1955	_____	\$ _____
1961	_____	\$ _____

5. On January 18, 1962 (trade date) did your firm buy or sell any stocks in the over-the-counter market either for its own account as principal or for others as agent?

Yes No

If your answer is in the affirmative, please complete Form A attached hereto.

6. On January 18, 1962 (trade date) did your firm buy or sell in the over-the-counter market, either for its own account as principal or for others as agent, any over-the-counter stocks which were not quoted by any broker-dealer in the daily "sheets" of the National Quotation Bureau for January 17, 1962 or January 18, 1962, or in the Monthly Stock Summary of the National Quotation Bureau, dated February 1, 1962?

Yes No

If your answer is in the affirmative, please indicate below the total number of shares of such stocks purchased and sold on January 18, 1962 (trade date) and the total value of these purchases and sales.

_____ shares \$ _____

7. On January 18, 1962 (trade date) did your firm buy or sell in the over-the-counter market any of the stocks listed in Schedule I either for its own account as principal or for others as agent?

Yes No

If your answer is in the affirmative, for each stock which your firm bought or sold as principal, please complete a separate Form B; and for each stock which your firm bought or sold as agent, please complete a separate Form C.

8. During the period from January 18, 1962, to February 9, 1962, inclusive, (trade dates) did your firm buy or sell in the over-the-counter market any of the stocks listed in Schedule II either for its own account as principal or for others as agent?

Yes No

If your answer is in the affirmative, for each stock which your firm bought or sold as principal, please complete a separate Form D; and for each stock which your firm bought or sold as agent, please complete a separate Form E.

Note: If your firm had more than 25 transactions as principal in any of the stocks during the period mentioned, your listing of transactions in such stock on Form D may be limited to your first 25 transactions as principal during the period, but in any case all transactions for January 18, 1962 must be shown. Similarly, if your firm had more than 25 transactions as agent in any of the stocks during the period, your listing of transactions in such stock on Form E may be limited to your first 25 transactions as agent, but in any case all transactions for January 18, 1962 must be shown.

9. Do you regard your over-the-counter stock transactions as shown on Forms A, B, C, D and E to be reasonably representative of your day-to-day business in recent months with respect to:

a. Volume of transactions?

Yes No

b. Types of securities involved?

Yes No

c. Proportion of transactions as agent?

Yes No

d. Proportion of total purchases and sales as principal which were traded into or out of your own position?

Yes No

e. Percent of mark-up on sales as principal to individual and other public customers?

Yes No

f. Pricing of purchases as principal from individual and other public customers?

Yes No

g. Amount of commission charged by you on purchases and sales as agent for individual and institutional customers?

Yes No

If your answer to any of the above questions is negative, please explain in what respects you do not regard the transactions to be reasonably representative of your day-to-day business.

10. On January 31, 1962 did you carry any margin accounts for customers other than other broker-dealers?

Yes No

If your answer is in the affirmative, set forth below the total net debit balances in such accounts on January 31, 1962.

\$ _____

11. Has any broker-dealer, at your request or on your behalf, at any time in January or February 1962 entered a listing of any security in the daily "sheets" of the National Quotation Bureau? (i.e., with specific price, OW and/or BW, or name only.)

Yes

No

If your answer is in the affirmative, please set forth below, or on an attached sheet, the name of such broker-dealer, the name of the security, the date of each such listing, the purpose or purposes of such listings, and the nature of your arrangement with such other broker-dealer (including authority to buy or sell, guarantees against loss, etc.)

12. Has your firm, at the request of or on behalf of another broker-dealer, at any time in January or February 1962 entered a listing of any security in the daily "sheets" of the National Quotation Bureau? (i.e., with specified price, OW and/or BW, or name only.)

Yes

No

If your answer is in the affirmative, please set forth below, or on an attached sheet, the name of such other broker-dealer, the name of the security, and the date of each such listing.

13. What is the total number of corporations, with one or more stock issues traded on a national securities exchange, in which any of the officers, directors, partners or employees of your firm are directors?

_____ corporations

14. What is the total number of corporations, with stock issues traded in the over-the-counter market only, in which any of the officers, directors, partners or employees of your firm are directors? (Exclude any corporation whose stocks are not quoted by any broker-dealer in the most recent Monthly Stock Summary or Semi-Annual Stock Summary of the National Quotation Bureau.)

_____ corporations

15. In how many of the stocks of the corporations included in your answer to Question 14 do you currently "make a market" (i.e., enter a listing in the daily "sheets" of the National Quotation Bureau and/or stand ready to buy or sell the stock in limited quantity)?

_____ stocks involving _____ corporations

Please set forth below or attach a list of all such stocks, indicating by an asterisk (*) those stocks in which you consider your firm to be a "sponsor" of the market.

16. In how many stocks of corporations not included in your answer to Question 14 (i.e., stocks of corporations with stock issues traded in the over-the-counter market only and in which none of the officers, directors, partners or employees of your firm is a director) do you currently "make a market" (as defined in question 15)?

_____ stocks involving _____ corporations

Please set forth below or attach a list of all such stocks, indicating by an asterisk (*) those stocks in which you consider your firm to be a "sponsor" of the market.

17. Is there any difference in the nature, quantity, or continuity of your activities in "making a market" as between those stocks referred to in Question 15 (where an officer, director, partner or employee of your firm is a director of the corporation) and those referred to in Question 16 (where no officer, director, partner or employee of your firm is a director)?

Yes

No

If your answer is in the affirmative, please explain.

This is to certify
that the information
contained herein is
true and correct.

Authorized Firm Signature
of Reporting Broker-Dealer Firm

By: _____
Name of Partner or Officer

Date: _____

Title _____

Schedule I

Report on Forms B and C all over-the-counter transactions by your firm on January 18, 1962 in the stocks* listed below. Please indicate here the number of forms you are enclosing for each stock and return this sheet with your forms.

- | | |
|---|--|
| ___ ADVANCE INDUSTRIES, INC. | ___ FULTON NATIONAL BANK OF LANCASTER, PA. |
| ___ AJAX MAGNETHERMIC CORP. | ___ FUTTERMAN CORP. CLASS A |
| ___ AMERICAN AIRLINES, INC. | ___ GENERAL CRUDE OIL CO. |
| ___ AMERICAN INSURANCE CO. (NEWARK) | ___ GENERAL TELEPHONE & ELECTRONICS CORP. |
| ___ ANHEUSER-BUSCH, INC. | ___ GESTETNER, LTD. AMERICAN SHARES ORD. A |
| ___ AQUA-CHEM, INC. | ___ GLICKMAN CORP. CLASS A COMMON |
| ___ ARMSTRONG PAINT & VARNISH WORKS, INC. | ___ GREAT AMERICAN LIFE UNDERWRITERS, INC. CLASS A |
| ___ ASSOCIATED DEVELOPMENT & RESEARCH CORP. | ___ GRINNELL CORP. |
| ___ AZTEC OIL & GAS CO. | ___ GUNNAR MINING, LTD. |
| ___ BABCOCK ELECTRONICS CORP. | ___ HARTFORD FIRE INSURANCE CO. |
| ___ BANK OF AMERICA N.T. & S.A. | ___ HERFF JONES CO. CLASS A PFD. |
| ___ BENSON-LEHNER CORP. | ___ HOME INSURANCE CO. (N. Y.) |
| ___ BERKSHIRE HATHAWAY, INC. | ___ ILLINOIS MID-CONTINENT LIFE INSURANCE CO. |
| ___ BOSTON CAPITAL CORP. | ___ INSUL-CUP CORP. OF AMERICA |
| ___ BOWMAR INSTRUMENT CORP. | ___ INTERNATIONAL PHOTOCOPY CORP. |
| ___ BRISTOL BRASS CORP. | ___ KANE-MILLER CORP. |
| ___ BUCKEYE CORP. | ___ KENTUCKY CENTRAL LIFE & ACCIDENT INSURANCE CO. |
| ___ C - F - M COMPANY | ___ KENWIN SHOPS, INC. |
| ___ CARPENTER (L. E.) & CO. | ___ KOEHRING COMPANY |
| ___ CENTRAL LOUISIANA ELECTRIC CO., INC. | ___ LANCER INDUSTRIES, INC. |
| ___ CHANNING CORPORATION | ___ LIFE INSURANCE CO. OF GEORGIA |
| ___ CITIZENS UTILITIES CO. COMMON A | ___ LOCKHEED AIRCRAFT CORP. |
| ___ COASTAL STATES GAS PRODUCING CO. | ___ LUCKY STORES, INC. |
| ___ COMMONWEALTH LIFE INSURANCE CO. (KY.) | ___ LYNCH COMMUNICATION SYSTEMS, INC. |
| ___ CONSOLIDATED AIRBORNE SYSTEMS, INC. CLASS A | ___ MAGNEFAX CORP. |
| ___ CONTINENTAL ENTERPRISES, INC. | ___ MARLIN-ROCKWELL CORP. |
| ___ COSMODYNE CORP. | ___ McLEAN INDUSTRIES, INC. \$3 CUM. PFD. |
| ___ DELAWARE VALLEY FINANCIAL CORP. CLASS A | ___ MID-AMERICA PIPELINE CO. |
| ___ DIXON (JOSEPH) CRUCIBLE CO. | ___ MIDLAND CAPITAL CORP. |
| ___ DYNAMIC INSTRUMENT CORP. | ___ MONARCH FINE FOODS, LTD. |
| ___ EMHART MANUFACTURING CO. | ___ NATIONAL PATENT DEVELOPMENT CORP. |
| ___ ENERGY COMPONENTS | ___ NORTH PENN GAS CO. |
| ___ EXTRUDO-FILM CORP. | ___ NUCLEAR CHICAGO CORP. |
| ___ FERSON OPTICS, INC. | ___ OLD EMPIRE, INC. |
| ___ FILTRA-SONIC CORP. | ___ OVERNITE TRANSPORTATION CO. |
| ___ FOX-STANLEY PHOTO PRODUCTS, INC. | ___ PACIFIC INTERMOUNTAIN EXPRESS CO. |

* Common or capital stock unless otherwise noted.

SCHEDULE I (Continued)

___ PACIFIC POWER & LIGHT CO.	___ SOUTHERN NEW ENGLAND TELEPHONE CO.
___ PARADYNAMICS, INC.	___ SPACE-TONE ELECTRONICS CORP.
___ PENN-AKRON CORP.	___ STANLEY WORKS
___ PERMASPRAY MFG. CORP.	___ SULLIVAN COUNTY HARNESS RACING
___ PHOTO ANIMATION, INC.	___ ASSN., INC. CLASS A COMMON
___ PITTSBURGH NATIONAL BANK	___ TECHNO VENDING CORP. CLASS A COMMON
___ POCKET BOOKS, INC.	___ TEXAS INDUSTRIES, INC.
___ PORTLAND GENERAL ELECTRIC CO.	___ TEXAS NATIONAL PETROLEUM CO.
___ PRODUCING PROPERTIES, INC.	___ THOMAS & BETTS CO.
___ PUBLIC SERVICE CO. OF NEW MEXICO	___ THOROUGHbred ENTERPRISES, INC.
___ R. C. CAN CO.	___ TRANSDYNE CORP.
___ REPUBLIC NATURAL GAS CO.	___ TRUE TASTE CORP.
___ RESERVE INSURANCE CO.	___ ULTRA-SONIC PRECISION, INC.
___ REXACH CONSTRUCTION CO., INC.	___ UNITED AERO PRODUCTS CORP.
___ ROBERTS LUMBER CO.	___ UNITED NUCLEAR CORP.
___ ROYAL DUTCH PETROLEUM CO.	___ U. S. PLASTIC & CHEMICAL CORP.
___ N. Y. SHARES	___ VEEDER-ROOT, INC.
___ ST. LOUIS CAPITAL, INC.	___ VITAMIN PHARMACEUTICALS, INC.
___ SCOTT DISCOUNT ENTERPRISES, INC.	___ WARNER & SWASEY CO.
___ SECURITY FIRST NATIONAL BANK OF L. A.	___ WESTERN GAS SERVICE CO.
___ SESSIONS CLOCK CO. COMMON CLASS A	___ WISCONSIN POWER & LIGHT CO.
___ SIGMA INSTRUMENTS, INC.	___ WISE HOMES
___ SONAR RADIO CORP.	

Schedule II

Report on Forms D and E all over-the-counter transactions by your firm from January 18, 1962 to February 9, 1962, inclusive, in the stocks* listed below. Please indicate here the number of forms you are enclosing for each stock and return this sheet with your forms.

- | | |
|--|---|
| <input type="checkbox"/> AKRON, CANTON, YOUNGSTOWN R. R. CO. | <input type="checkbox"/> FIRST TRUST CO. OF ALBANY (N. Y.) |
| <input type="checkbox"/> AMERICAN CAPITAL INSURANCE CO. | <input type="checkbox"/> FORMING MACHINE CO. OF AMERICA, INC. |
| <input type="checkbox"/> AMERICAN ELECTRIC SECURITIES CORP. | UNITS |
| PART. PEF. | <input type="checkbox"/> FRANKLIN BANK (PATTERSON, N. J.) |
| <input type="checkbox"/> AMERICAN MONARCH CORP. | <input type="checkbox"/> GAMBLE BROTHERS, INC. |
| <input type="checkbox"/> ARIZONA LAND CORP. | <input type="checkbox"/> GERIATRIC SERVICES, INC. |
| <input type="checkbox"/> ARIZONA PUBLIC SERVICE CO. | <input type="checkbox"/> GOODALL RUBBER CO. CLASS A COM. |
| \$2.50 PFD. | <input type="checkbox"/> GREEN GIANT CO. 5% PFD. |
| <input type="checkbox"/> BADGER NORTHLAND, INC. | <input type="checkbox"/> INTERNATIONAL EQUITY CORP. |
| <input type="checkbox"/> BANK STOCK CORP. OF MILWAUKEE | <input type="checkbox"/> INTERSTATE FIRE & CASUALTY CO. |
| <input type="checkbox"/> BESSEMER & LAKE ERIE R. R. CO. | <input type="checkbox"/> IRON CITY-OHIO RIVER CORP. |
| \$1.50 PFD. | OHIO RIVER SERIES PFD. |
| <input type="checkbox"/> BIG "C" STORES, INC. | <input type="checkbox"/> KERR MFG. CO. |
| <input type="checkbox"/> BOSTON ACCEPTANCE CO., INC. | <input type="checkbox"/> LINDY HYDROTHERMAL PRODUCTS, INC. |
| CLASS A COMMON | <input type="checkbox"/> LUCKY FRIDAY EXTENSION MINES |
| <input type="checkbox"/> CARLON PRODUCTS CORP. | <input type="checkbox"/> MADISON GAS & ELECTRIC CO. |
| <input type="checkbox"/> CENTRAL MAINE POWER CO. 4.6% PFD. | <input type="checkbox"/> MALLORY (P.R.) & CO., INC. |
| <input type="checkbox"/> CHASE CAPITAL CORP. | 5% CONV. PEF. SER. A |
| <input type="checkbox"/> CITIZENS & SOUTHERN BANK (PHILA.) | <input type="checkbox"/> MARKET BASKET PFD. |
| <input type="checkbox"/> COLUMBUS DENTAL MFG. CO. | <input type="checkbox"/> MASSACHUSETTS BUILDING TRUST |
| <input type="checkbox"/> COMMONWEALTH BRASS CORP. | <input type="checkbox"/> MELCHIOR ENGINEERING CORP. |
| <input type="checkbox"/> CONNECTICUT WATER CO. | <input type="checkbox"/> MEYERCORD CO. |
| <input type="checkbox"/> CONTINENTAL RADIANT GLASS | <input type="checkbox"/> MINERALS ENGINEERING CO. |
| HEATING CORP. | <input type="checkbox"/> MINITRONICS, INC. CLASS A |
| <input type="checkbox"/> CREATIVE PLAYTHINGS, INC. | <input type="checkbox"/> MORGAN ENGINEERING CO. |
| <input type="checkbox"/> CUMMINS ENGINE CO., INC. | <input type="checkbox"/> NATIONAL PROPANE CORP. |
| <input type="checkbox"/> DAGGAFONTEIN MINES, LTD. A. D. R. | 5% 2ND PFD. A |
| <input type="checkbox"/> DELTA CORP. | <input type="checkbox"/> NEW ENGLAND FISH CO. PFD. |
| <input type="checkbox"/> DISTRIBUTORS GROUP, INC. | <input type="checkbox"/> NEW HAMPSHIRE BANKSHARES, INC. |
| CLASS A COMMON | CLASS A COMMON |
| <input type="checkbox"/> DULANY FOODS, INC. | <input type="checkbox"/> NORTHERN OHIO TELEPHONE CO. |
| <input type="checkbox"/> EDUCATIONAL DEVELOPMENT CORP. | <input type="checkbox"/> PACIFIC CAR & FOUNDRY CO. |
| <input type="checkbox"/> ENGINEERED PLASTICS CONTAINER CO. | <input type="checkbox"/> PEDEN IRON & STEEL CO. |
| <input type="checkbox"/> FALL RIVER NATIONAL BANK | <input type="checkbox"/> PETROLANE GAS SERVICE, INC. |
| <input type="checkbox"/> FELIX OIL CO. | <input type="checkbox"/> PHOENIX INSURANCE CO. |
| <input type="checkbox"/> FIFTY ASSOCIATES | <input type="checkbox"/> POLY INDUSTRIES, INC. |
| <input type="checkbox"/> FIRST NATIONAL BANK | <input type="checkbox"/> QUAKER STATE FOODS CORP. |
| HARRISONBURG (VA.) | <input type="checkbox"/> R. M. S. ELECTRONICS, INC. |

* Common or capital stock unless otherwise noted.

SCHEDULE II (Continued)

— RUMFORD PRINTING CO.	— STUART HALL CO., INC.
— SANITARY PRODUCTS CORP.	— TABACOLERA, S. A. BEARER SHARES
— SEAFORD-MAR MARINA, INC.	— THERMO KING CORP.
— 79TH & RACINE BLDG. CORP.	— TOWN & COUNTRY SECURITIES CORP.
— SHEPARD NILES CRANE & HOLST CORP.	— TRUCK UNDERWRITERS ASSOCIATION
— SMITH (H. B.) CO., INC.	— UNION CARBIDE AUSTRALIA, LTD.
— SOUTHERN GAS & WATER CO. \$4.50 PFD.	— UNIVERSAL MANUFACTURING CO.
— SOUTHWESTERN PUBLIC SERVICE CO. 3.70% PFD.	— VEGTABLE OIL PRODUCTS CO., INC.
— SPERRY & HUTCHINSON CO.	— VICANA SUGAR CO.
— STATE BANK OF LAUREL (MD.)	— WARREN REFINING & CHEMICAL CO.
	— WHITEHALL ELECTRONICS CORP.

OTC - 3

BUDGET BUREAU APPROVAL
NO. 72-8202

Form A

REPORT OF TOTAL OVER-THE-COUNTER PURCHASES AND SALES OF STOCKS

January 18, 1962 (trade date)

(Please read instructions on reverse side carefully before filling out form)

Firm Name: _____

Address of Main Office: _____

	EXCHANGE STOCKS TRADED OVER-THE-COUNTER		OVER-THE-COUNTER STOCKS	
	No. of Shares (1)	Value (\$) (2)	No. of Shares (3)	Value (\$) (4)
PURCHASES BY FIRM AS DEALER (Principal)				
a. From other broker-dealers	_____	_____	_____	_____
b. From individuals	_____	_____	_____	_____
c. From others	_____	_____	_____	_____
Total	_____	_____	_____	_____
SALES BY FIRM AS DEALER (Principal)				
a. To other broker-dealers	_____	_____	_____	_____
b. To individuals	_____	_____	_____	_____
c. To others	_____	_____	_____	_____
Total	_____	_____	_____	_____
TOTAL TRANSACTIONS AS DEALER	_____	_____	_____	_____
PURCHASES BY FIRM AS BROKER (Agent)				
a. For other broker-dealers	_____	_____	_____	_____
b. For individuals	_____	_____	_____	_____
c. For others	_____	_____	_____	_____
Total	_____	_____	_____	_____
SALES BY FIRM AS BROKER (Agent)				
a. For other broker-dealers	_____	_____	_____	_____
b. For individuals	_____	_____	_____	_____
c. For others	_____	_____	_____	_____
Total	_____	_____	_____	_____
TOTAL TRANSACTIONS AS BROKER	_____	_____	_____	_____
TOTAL TRANSACTIONS AS DEALER AND BROKER	_____*	_____*	_____	_____
* Give breakdown of these totals as follows:				
	No. of Shares	Value (\$)		
New York Stock Exchange Stocks	_____	_____		
American Stock Exchange Stocks	_____	_____		
Other Exchange Stocks	_____	_____		

Form A
INSTRUCTIONS

1. Furnish the total number of shares involved and value of all over-the-counter purchases and sales of stocks effected by your firm on January 18, 1962 (trade date).
2. Include in your report transactions of the main office and of all branch offices of your firm.
3. Report only over-the-counter purchases and sales of exchange stocks in columns (1) and (2). Report over-the-counter purchases and sales of other stocks in columns (3) and (4). An exchange stock is defined as a stock which is available for trading, either on a listed or unlisted basis, on any national securities exchange.
4. The value of transactions should exclude taxes and commissions paid or received.
5. Transactions with or for "individuals" should include individuals transacting business through a joint account with other individuals or as custodian for a minor.
6. Exclude transactions in bonds, debentures, rights and warrants.
7. Exclude sales of open-end investment company shares.
8. Exclude from "purchases" any shares acquired through stock dividends, splits, conversions, exercise of rights or warrants and exercise of puts, calls or other options. However, if any of the shares thus acquired were sold on January 18, 1962, the sale should be included under "sales." Similarly, exclude from "sales" any shares converted or disposed of through exercise of puts, calls or other options, but include under "purchases" the shares thus converted or disposed of if they were acquired on January 18, 1962.
9. If your firm participated as a member of a selling group or syndicate in any distribution, exclude purchases and sales effected by the firm while the original syndicate under the original management maintained price restrictions.

Please send completed forms to:

Securities and Exchange Commission
Special Study of Securities Markets
Washington 25, D. C.

Form B
INSTRUCTIONS

THIS FORM RELATES ONLY TO STOCKS LISTED IN SCHEDULE I ATTACHED

1. Show each purchase and each sale effected elsewhere than on a national securities exchange by your firm as dealer (principal) on January 18, 1962 (trade date) in any of the stocks listed in Schedule I.
2. Use a separate Form B for each of the stocks in which you are reporting transactions as dealer (principal).
3. Include in your report transactions of the main office and of all branch offices of your firm.
4. In reporting your firm's position in a stock, include shares held in both your investment account and trading account.
5. Use a separate line in reporting each purchase and each sale.
6. For transactions in which your firm was charged a commission, enter in column (4) both price and commission (e.g., for purchases, 50 + 1/4, or for sales, 50 - 1/4).
7. Transactions with "individuals" should include individuals transacting business through a joint account with other individuals or as custodian for a minor.
8. In identifying customers in columns (5), (6) and (7), names need not be shown for individuals or other public customers. However, names of other broker-dealers should be given in column (8).

Please send completed forms to:

Securities and Exchange Commission
Special Study of Securities Markets
Washington 25, D.C.

Form C
INSTRUCTIONS

THIS FORM RELATES ONLY TO STOCKS LISTED IN SCHEDULE I ATTACHED

1. Show each purchase and each sale effected elsewhere than on a national securities exchange by your firm as broker (agent) for public customers or for other broker-dealers on January 18, 1962 (trade date) in any of the stocks listed in Schedule I.
2. Use a separate Form C for each of the stocks in which you are reporting transactions as broker (agent).
3. Include in your report transactions of the main office and of all branch offices of your firm.
4. In reporting your firm's position in a stock, include shares held in both your investment account and trading account.
5. Use a separate line in reporting each purchase and each sale. If you acted as agent both for the buyer and seller, report the purchase on one line and the sale on the following line; leave columns (10) through (13) blank but bracket the purchase and sale.
6. Report commissions received by you in column (5).
7. Transactions for "individuals" should include individuals transacting business through a joint account with other individuals or as custodian for a minor.
8. In identifying customers in columns (6), (7), (8), (10), (11) and (12), names need not be shown for individuals or other public customers. However, names of other broker-dealers should be given in columns (9) and (13).

Please send completed forms to:

Securities and Exchange Commission
Special Study of Securities Markets
Washington 25, D.C.

Form D
INSTRUCTIONS

THIS FORM RELATES ONLY TO STOCKS LISTED IN SCHEDULE II ATTACHED

1. Show each purchase and each sale effected by your firm as dealer (principal) from January 18, 1962 to February 9, 1962, inclusive, (trade dates) in any of the stocks listed in Schedule II. If your firm had more than 25 transactions as dealer in any of the stocks during this period, your listing of transactions in such stock may be limited to your first 25 transactions as dealer during the period, but in any case all transactions for January 18, 1962 must be shown.
2. Use a separate Form D for each of the stocks in which you are reporting transactions as dealer (principal).
3. Include in your report transactions of the main office and of all branch offices of your firm.
4. In reporting your firm's position in a stock, include shares held in both your investment account and trading account.
5. Use a separate line in reporting each purchase and each sale.
6. In column (1), be sure to report trade dates and not blotter, clearance, delivery or payment dates.
7. For transactions in which your firm was charged a commission, enter in column (5) both price and commission (e.g., for purchases, $50 + 1/4$, or for sales, $50 - 1/4$).
8. Transactions with "individuals" should include individuals transacting business through a joint account with other individuals or as custodian for a minor.
9. In identifying customers in columns (6), (7) and (8), names need not be shown for individuals or other public customers. However, names of other broker-dealers should be given in column (9).

Please send completed forms to:

Securities and Exchange Commission
Special Study of Securities Markets
Washington 25, D.C.

Form E

INSTRUCTIONS

THIS FORM RELATES ONLY TO STOCKS LISTED IN SCHEDULE II ATTACHED

1. Show each purchase and each sale effected by your firm as broker (agent) for public customers or for other broker-dealers from January 18, 1962 to February 9, 1962, inclusive, (trade dates) in any of the stocks listed in Schedule II. If your firm had more than 25 transactions as broker in any of the stocks during the period, your listing of transactions in such stock may be limited to your first 25 transactions as broker, but in any case all transactions for January 18, 1962 must be shown.
2. Use a separate Form E for each of the stocks in which you are reporting transactions as broker (agent).
3. Include in your report transactions of the main office and of all branch offices of your firm.
4. In reporting your firm's position in a stock, include shares held in both your investment account and trading account.
5. Use a separate line in reporting each purchase and each sale. If you acted as agent both for the buyer and seller, report the purchase on one line and the sale on the following line; leave columns (1) through (14) blank but bracket the purchase and sale.
6. In column (1), be sure to report trade dates and not blotter, clearance, delivery or payment dates.
7. Report commissions received by you in column (6).
8. Transactions for "individuals" should include individuals transacting business through a joint account with other individuals or as custodian for a minor.
9. In identifying customers in columns (7), (8), (9), (11), (12) and (13), names need not be shown for individuals or other public customers. However, names of other broker-dealers should be given in columns (10) and (14).

Please send completed forms to:

Securities and Exchange Commission
Special Study of Securities Markets
Washington 25, D.C.

APPENDIX VII-C

QUESTIONNAIRE OTC-5

OVER-THE-COUNTER QUESTIONNAIRE TO SELECTED BROKER-DEALERS
FOR SPECIFIC DATES FOR 40 SELECTED STOCKS

Form OTC-5



SPECIAL STUDY OF
SECURITIES MARKETS

Budget Bureau Approval
No. 71-6214

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON 25, D.C.

July 6, 1962

Re: Stocks Trade Dates of Transactions

Gentlemen:

We have noted from your response to Questionnaire OTC-3 and the National Quotation Bureau sheets that your firm made a market and/or had transactions in the stock(s) shown above on the date(s) covered by that questionnaire. These securities and certain others have been selected for further study so that we may better evaluate the operations of the over-the-counter market in general, and in particular during specific periods in 1962. Such selection does not imply any question or criticism regarding any security or your transactions in it.

We therefore request your cooperation in completing the enclosed Forms F (principal transactions) and G (agency transactions), which parallel in most respects forms you have previously submitted in connection with Questionnaire OTC-3. These forms require a listing of all your transactions as principal and as agent in the above stock(s) for the trade dates specified above. Form F also requests information about your closing position in each such stock on selected days. These positions should be supplied regardless of whether or not your firm had any principal transactions in the stock.

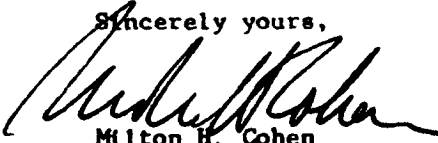
In addition, please supply a copy of each market letter, research bulletin, report, analysis, investment advisory recommendation or other selling or advisory literature, whether or not prepared by your firm (other than recommendations based upon individual portfolio review or prospectuses relating to registered issues), which was distributed by

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your firm during the period January 18, 1962, through June 1, 1962, and which related in whole or in part to the stock(s) listed above.

The completed forms should be returned not later than July 30, 1962, to Special Study of Securities Markets, Securities and Exchange Commission, Washington 25, D. C.

Sincerely yours,



Milton H. Cohen
Director

Enclosure

OTC - 5

Form F
POSITIONS AND OVER-THE-COUNTER STOCK TRANSACTIONS
 Firm as DEALER (Principal)

BUDGET BUREAU APPROVAL
 NO. 71-6214

(Please read instructions on reverse side carefully before filling out form)

Name of Stock _____

Firm Name _____ Address of Main Office _____

Firm's position as dealer in the above stock at close of business on:					
January 18, 1962	_____	Shares	March 30, 1962	_____	Shares
January 19, 1962	_____	Shares	April 27, 1962	_____	Shares
January 26, 1962	_____	Shares	May 4, 1962	_____	Shares
February 23, 1962	_____	Shares	May 11, 1962	_____	Shares
			May 18, 1962	_____	Shares
			May 25, 1962	_____	Shares
			June 1, 1962	_____	Shares

REPORT OF TRANSACTIONS									
ITEM NO.	TRADE DATE (1)	(Check One)		NO. OF SHARES (4)	PRICE PER SHARE (5)	FROM WHOM PURCHASED OR TO WHOM SOLD			Name of Broker-Dealer or Type of Other Customer (9)
		Pur- chased from (2)	Sold to (3)			(Check One)			
						Broker- Dealer (6)	Indi- vidual (7)	Others (8)	
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									
13.									
14.									
15.									
16.									
17.									
18.									
19.									
20.									
21.									
22.									

Form F
INSTRUCTIONS

1. Show each purchase and each sale effected by your firm as dealer (principal) in the stocks listed in the attached letter for the days indicated.
2. Use a separate Form F for each of the stocks in which you are reporting positions and/or transactions as dealer (principal).
3. Include in your report transactions of the main office and of all branch offices of your firm.
4. In reporting your firm's position in a stock, include shares held in both your investment account and trading account and by all branch offices of your firm. Designate whether shares shown are (L) long or (S) short.
5. Use a separate line in reporting each purchase and each sale.
6. In column (1), be sure to report trade dates and not blotter, clearance, delivery or payment dates.
7. For transactions in which your firm was charged a commission, enter in column (5) both price and commission (e.g., for purchases, 50 + 1/4, or for sales, 50 - 1/4).
8. Transactions with "individuals" should include individuals transacting business through a joint account with other individuals or as custodian for a minor.
9. In identifying customers in columns (6), (7) and (8), names need not be shown for individuals or other public customers. However, names of broker-dealers should be given in column (9) and other public customers should be identified in column (9) by type, i.e., bank, investment company, insurance company, non-financial corporation, or pension fund.

Please send completed forms to:

Securities and Exchange Commission
Special Study of Securities Markets
Washington 25, D. C.

Form G
INSTRUCTIONS

1. Show each purchase and each sale effected by your firm as broker (agent) for public customers or for other broker-dealers in the stocks listed in the attached letter for the days indicated.
2. Use a separate Form G for each of the stocks in which you are reporting transactions as broker (agent).
3. Include in your report transactions of the main office and of all branch offices of your firm.
4. Use a separate line in reporting each purchase and each sale. If you acted as agent both for the buyer and seller, report the purchase on one line and the sale on the following line; leave columns (11) through (14) blank but bracket the purchase and sale.
5. In column (1), be sure to report trade dates and not blotter, clearance, delivery or payment dates.
6. Report commissions per share received by you in column (6).
7. Transactions for "individuals" should include individuals transacting business through a joint account with other individuals or as custodian for a minor.
8. In identifying customers in columns (7), (8), (9), (11), (12) and (13), names need not be shown for individuals or other public customers. However, names of broker-dealers should be given in columns (10) and (14) and other public customers should be identified in columns (10) and (14) by type, i.e., bank, investment company, insurance company, non-financial corporation or pension fund.

Please send completed forms to:

Securities and Exchange Commission
Special Study of Securities Markets
Washington 25, D. C.

APPENDIX VII-D

MEMORANDUM TO BROKER-DEALERS
CONCERNING ACTIVITIES BEFORE
AND DURING THE MARKET BREAK

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON 25, D.C.

Over-the-Counter Market Interviews

It is the expectation of the Special Study Staff to conduct a series of interviews concerning activity in the over-the-counter market for specific periods during the past 18 months. The subject matters of such interviews are as follows:

1. (a) General comparison of inventory levels in over-the-counter equity securities held in trading accounts in May 1961, January 1962, and in May 1962 prior to the market break of the 28th; whether there were any significant reductions in inventories and, if so, any differences between "sponsored" and "unsponsored" securities and between speculative and non-speculative securities; the periods when such reductions occurred; whether there were any significant short positions and, if so, in what types of securities and when they were incurred.
 - (b) If there were any significant reductions in inventories in the first five months of 1962, whether there was any primary motivation for such reductions such as a concern that prices were too high, cash needs for the operation of business, compliance with SEC or Stock Exchange capital requirements, need of more liquid positions, etc.
2. General comparison of levels of over-the-counter equity securities held in investment accounts in May 1961, January 1962 and early May 1962 prior to the market break.
3. Methods by which reductions in specific inventories were effected, e.g., extra compensation to salesmen, reduction in buying, etc. If market letters or selling literature were used in relation to securities held in inventory since January 1962, it would be helpful if copies could be supplied.
4. General comparison of the trading markets being made by your firm during May 1961, January 1962 and May 1962, e.g., number of markets made, size of the markets made (particularly in terms of the amount of shares which the firm would have taken at a quoted price), size of long and short positions in given securities, and spreads in quotations, for "sponsored" and "unsponsored" securities.
5. Comparison of public buying and selling volume in over-the-counter equity securities as between May 1961, January 1962 and May 1962 (prior to the market break).

6. Comparison of institutional buying and selling for the same months.

7. Source and extent of short selling in over-the-counter equity securities by firms and their customers during the period January 1962 to June 1962, e.g., short selling in your trading accounts; indications of short selling by other trading firms; extent of short selling by public customers; types of securities in which short selling occurred, with illustrations if possible, in the case of "sponsored" securities.

8. Volume of sales of over-the-counter securities on May 28, 29 and 31, 1962, broken down between institutions and individuals, and sources of buying power. If there was selling by banks of collateral pledged with them, the volume or extent of such selling compared to prior periods.

9. Description of the over-the-counter markets you made on May 28, 29 and 31, 1962 for both "sponsored" and "unsponsored" securities, e.g., size of markets made at a given price; firmness of prices; spreads in quotations. In this connection, we are interested in the amount of securities positioned by your firm on these dates.

10. Description of the wholesale trading markets in New York, and other centralized trading points, on May 28, 29 and 31, as indicated by the experience of your firm in dealing with them, e.g., amount of shares at a given price that the larger trading firms would take, spreads in their quotations, and any difficulties encountered in disposing of securities for customers or in communicating with such firms, compared with situation in January 1962 and May 1961.

11. Your views as to the responsibility of a firm such as yours in making a market in over-the-counter securities in circumstances such as those prevailing on May 28, 29 and 31.

12. Any significant characteristics of the over-the-counter markets in June 1962 as compared with prior periods (May 1961; January 1962; April 1962).

Of course the above is not intended as a list of specific questions to be separately answered but as a guide to the specific subject matters on which we hope to obtain data through the interview.

Date: July 11, 1962

APPENDIX VII-E

GENERAL PRICE ANALYSIS

The following summary presents all price comparisons made in the analysis of 135 securities of the 200-stock sample which were traded on January 18, 1962.

Price comparisons were based on average prices paid or received for each security in agency and principal transactions and by each type of customer. These averages were computed for transactions in each stock and recorded on Summary Form 1, a sample copy of which is attached to this appendix. For example, in comparing the cost of individual purchases of an agency basis to the cost of individual purchases on a principal basis, the average agency cost (including commission) and the average cost on a principal basis (net to customer) for each security was computed. Each security was then classified as either higher cost on an agency basis, lower cost on an agency basis, or no difference between agency and principal costs.

The results of the comparisons are summarized below. Where one of the two variables being compared had no transactions, price comparison was not possible.

Comparison of average prices of transactions, 135 selected stocks on Jan. 18, 1962¹

Item No.	Type of transaction	Total number of stocks in which comparisons could be made	Item (a) exceeds item (b)		Item (a) is less than item (b)		Item (a) equals item (b)	
			Number of stocks	Percent of total	Number of stocks	Percent of total	Number of stocks	Percent of total
1 (a)	Average price of— Dealers' sales as principal							
2 (b)	vs. Dealers' purchases as principal	117	111	94.9	1	0.8	5	4.3
2 (a)	Individuals' purchases from dealer as principal							
3 (b)	vs. Individuals' sales to dealer as principal	48	47	97.9			1	2.1
3 (a)	Dealers' purchases as principal from other broker-dealers							
4 (b)	vs. Dealers' purchases as principal from individuals	62	50	80.7	10	16.1	2	3.2
4 (a)	Dealers' sales as principal to individuals							
5 (b)	vs. Dealers' sales as principal to other broker-dealers	64	62	96.9	2	3.1		
5 (a)	Individuals' purchases from dealer as principal							
6 (b)	vs. Institutions' purchases from dealer as principal	14	11	78.6	3	21.4		
6 (a)	Institutions' sales to dealer as principal							
7 (b)	vs. Individuals' sales to dealer as principal	15	9	60.0	6	40.0		
7 (a)	Individuals' purchases from broker-dealer as principal							
8 (b)	vs. Individuals' purchases through broker-dealer as agent	54	44	81.5	9	16.7	1	1.8
8 (a)	Individuals' sales to broker-dealer as principal							
9 (b)	vs. Individuals' sales through broker-dealer as agent	57	30	52.6	25	43.9	2	3.5
9 (a)	Institutions' purchases from broker-dealer as principal							
10 (b)	vs. Institutions' purchases through broker-dealer as agent	10	2	20.0	8	80.0		
10 (a)	Institutions' sales to broker-dealer as principal							
11 (b)	vs. Institutions' sales through broker-dealer as agent	8	6	75.0	2	25.0		

See footnotes at end of table.

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Comparison of average prices of transactions, 135 selected stocks on Jan. 18, 1962¹—Continued

Item No.	Type of transaction	Total number of stocks in which comparisons could be made	Item (a) exceeds item (b)		Item (a) is less than item (b)		Item (a) equals item (b)	
			Number of stocks	Percent of total	Number of stocks	Percent of total	Number of stocks	Percent of total
11(a)	Broker-dealers' purchases as agent for <i>individuals</i> (before adding commissions)							
	vs.							
(b)	Broker-dealers' purchases as agent for <i>other broker-dealers</i> (before adding commissions)	27	20	74.1	5	18.5	2	7.4
12(a)	Broker-dealers' sales as agent for <i>other broker-dealers</i> (before deducting commissions)							
	vs.							
(b)	Broker-dealers' sales as agent for <i>individuals</i> (before deducting commissions)	23	18	78.3	5	21.7		

¹ Excludes 65 stocks in the sample of 200 stocks which had no trading on Jan. 18, 1962.

NOTE.—Comparisons are based on average prices for each stock. In all agency transactions, commissions have been added to the purchase price and deducted from the sale price, unless otherwise noted. "Institutions" include all persons other than broker-dealers and individuals.

OTC-3

Summary Form 1

OVER-THE-COUNTER PURCHASES AND SALES

Name of Stock: _____ Code No. _____

January 18, 1962

Jan. 18-Feb. 9, 1962

No. of 2-Way Quotes 1/18/62 _____ Location Code _____ Shs. Outstanding (000) _____
 High Bid 1/18/62 _____ Asset Size (000) _____ No. of Stockholders _____
 Low Offer 1/18/62 _____ Date Offered _____ Concentration of Shs. _____
 Industry _____

ALL BROKER-DEALERS

	No. of Trans.	No. of Shares	Total Value (\$)	Average Price (\$)
1. PURCHASES BY FIRM AS DEALER (Principal)				
a. From other broker-dealers	_____	_____	_____	_____
b. From individuals	_____	_____	_____	_____
c. From others	_____	_____	_____	_____
d. Total	_____	_____	_____	_____
2. SALES BY FIRM AS DEALER (Principal)				
a. To other broker-dealers	_____	_____	_____	_____
b. To individuals	_____	_____	_____	_____
c. To others	_____	_____	_____	_____
d. Total	_____	_____	_____	_____
TOTAL TRANSACTIONS AS DEALER	_____	_____	_____	_____
3. PURCHASES BY FIRM AS BROKER (Agent)				
a. For other broker-dealers	_____	_____	_____	_____
b. For individuals	_____	_____	_____	_____
c. For others	_____	_____	_____	_____
d. Total	_____	_____	_____	_____
4. SALES BY FIRM AS BROKER (Agent)				
a. For other broker-dealers	_____	_____	_____	_____
b. For individuals	_____	_____	_____	_____
c. For others	_____	_____	_____	_____
d. Total	_____	_____	_____	_____
TOTAL TRANSACTIONS AS BROKER	_____	_____	_____	_____
TOTAL TRANSACTIONS AS DEALER AND BROKER	_____	_____	_____	_____

VOLUME OF SHARES TRADED

Transactions by:	Purchases	Sales	Total Purch. & Sales
Dealers for own Acct.	(1d)	(2d)	_____
Individuals	(2b)+(3b)	(1b)+(4b)	_____
Others	(2c)+(3c)	(1c)+(4c)	_____
TOTAL	_____	_____	_____

Source: IBM Tables 2 and 9

APPENDIX VII-F

PRICE ANALYSIS OF TRANSACTIONS BY FIRMS WITH AND WITHOUT POSITIONS

The data assembled from Questionnaire OTC-3 relating to prices were also tabulated on the basis of transactions of broker-dealers who held long or short positions in a security on the opening of business on January 18, 1962, compared to those who did not have opening positions. These categories in some degree parallel the category "market makers" and "others" (see app. VII-G) since the majority of market makers held positions and the category "others" did not. However, because of the existence of some subjectivity in the category "market maker" an analysis was done of pricing patterns of "position" and "nonposition" firms. A copy of a sample master card (Summary Form 3) is attached. The method of comparison followed the same format used in the evaluation of Summary Form 1 (see app. VII-E). The results of the analysis are shown below.

Comparison of average prices of transactions by broker-dealers with and without positions, 135 selected stocks on Jan. 18, 1962¹

Item No.	Type of transaction	Total number of stocks in which comparisons could be made	Item (a) exceeds item (b)		Item (a) is less than item (b)		Item (a) equals item (b)	
			Number of stocks	Percent of total	Number of stocks	Percent of total	Number of stocks	Percent of total
	Average price of—							
1(a)	Purchases as principal by dealers <i>with positions</i>							
	vs.							
(b)	Purchases as principal by dealers <i>without positions</i>	73	26	35.6	46	63.0	1	1.4
2(a)	Sales as principal by dealers <i>with positions</i>							
	vs.							
(b)	Sales as principal by dealers <i>without positions</i>	71	37	52.1	34	47.9		
3(a)	Purchases as principal by dealers <i>with positions</i> from other broker-dealers							
	vs.							
(b)	Purchases as principal by dealers <i>without positions</i> from other broker-dealers	66	11	16.7	55	83.3		
4(a)	Sales as principal by dealers <i>with positions</i> to other broker-dealers							
	vs.							
(b)	Sales as principal by dealers <i>without positions</i> to other broker-dealers	61	50	82.0	10	16.4	1	1.6
5(a)	Individuals' purchases from dealers <i>with positions</i> as principal							
	vs.							
(b)	Individuals' purchases from dealers <i>without positions</i> as principal	32	8	25.0	22	68.8	2	6.2
6(a)	Individuals' sales to dealers <i>with positions</i> as principal							
	vs.							
(b)	Individuals' sales to dealers <i>without positions</i> as principal	19	13	68.4	6	31.6		
7(a)	Individuals' purchases through broker-dealers <i>with positions</i> as agent							
	vs.							
(b)	Individuals' purchases through broker-dealers <i>without positions</i> as agent	20	9	45.0	11	55.0		
8(a)	Individuals' sales through broker-dealers <i>with positions</i> as agent							
	vs.							
(b)	Individuals' sales through broker-dealers <i>without positions</i> as agent	26	11	42.3	12	46.2	3	11.5

See footnotes at end of table.

Comparison of average prices of transactions by broker-dealers with and without positions, 135 selected stocks on Jan. 18, 1962¹—Continued

Item No.	Type of transaction	Total number of stocks in which comparisons could be made	Item (a) exceeds item (b)		Item (a) is less than item (b)		Item (a) equals item (b)	
			Number of stocks	Percent of total	Number of stocks	Percent of total	Number of stocks	Percent of total
9(a)	Individuals' purchases from dealers with positions as principal	44	34	77.2	9	20.5	1	2.3
(b)	Individuals' purchases through broker-dealers without positions as agent							
10(a)	Individuals' sales to dealers with positions as principal	41	28	68.3	11	26.8	2	4.9
(b)	Individuals' sales through broker-dealers without positions as agent							
11(a)	Institutions' purchases from dealers with positions as principal	9	1	11.1	8	88.9		
(b)	Institutions' purchases through broker-dealers without positions as agent							
12(a)	Institutions' sales to dealers with positions as principal	5	3	60.0	1	20.0	1	20.0
(b)	Institutions' sales through broker-dealers without positions as agent							
13(a)	Individuals' purchases from dealers with positions as principal	11	8	72.7	2	18.2	1	9.1
(b)	Institutions' purchases from dealers with positions as principal							
14(a)	Individuals' purchases from dealers without positions as principal	3	3	100.0				
(b)	Institutions' purchases from dealers without positions as principal							
15(a)	Purchases by broker-dealers with no positions as agent for individuals (before adding commissions)	21	17	81.0	3	14.3	1	4.7
(b)	Purchases by broker-dealers with no positions as agent for other broker-dealers (before adding commissions)							
16(a)	Sales by broker-dealers with no positions as agent for other broker-dealers (before deducting commissions)	14	9	64.3	4	28.6	1	7.1
(b)	Sales by broker-dealers with no positions as agent for individuals (before deducting commissions)							
17(a)	Purchases by broker-dealers without positions as agent for individuals (before adding commissions)	19	14	73.7	3	15.8	2	10.5
(b)	Purchases by broker-dealers without positions as agent for institutions (before adding commissions)							
18(a)	Sales by broker-dealers without positions as agent for institutions (before deducting commissions)	15	8	53.3	6	40.0	1	6.7
(b)	Sales by broker-dealers without positions as agent for individuals (before deducting commission)							
19(a)	Individuals' purchases from dealers with positions as principal	45	36	80.0	8	17.8	1	2.2
(b)	Individuals' purchases through broker-dealers with and without positions as agent							

See footnotes at end of table.

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Comparison of average prices of transactions by broker-dealers with and without positions, 135 selected stocks on Jan. 18, 1962¹—Continued

Item No.	Type of transaction	Total number of stocks in which comparisons could be made	Item (a) exceeds item (b)		Item (a) is less than item (b)		Item (a) equals item (b)	
			Number of stocks	Percent of total	Number of stocks	Percent of total	Number of stocks	Percent of total
20(a)	Individuals' purchases from dealers <i>without positions as principal</i>	39	34	87.2	4	10.2	1	2.6
(b)	Individuals' purchases through broker-dealers <i>with and without positions as agent</i>							
21(a)	Individuals' sales to dealers <i>with positions as principal</i>	42	27	64.3	13	30.9	2	4.8
(b)	Individuals' sales through broker-dealers <i>with and without positions as agent</i>							
22(a)	Individuals' sales to dealers <i>without positions as principal</i>	33	15	45.5	17	51.5	1	3.0
(b)	Individuals' sales through broker-dealers <i>with and without positions as agent</i>							

¹ Excludes 65 stocks in the sample of 200 stocks which had no trading on Jan. 18, 1962.

NOTE.—Comparisons are based on average prices for each stock. In all agency transactions, commissions have been added to the purchase price and deducted from the sale price, unless otherwise noted. "Institutions" include all persons other than broker-dealers and individuals. "Position" refers to a long or short position at the opening on Jan. 18, 1962.

Summary Form 3

OVER-THE-COUNTER PURCHASES AND SALES OF DEALERS WITH AND WITHOUT OPENING POSITIONS

OTC - 3

Name of Stock: _____ Code No. _____

January 18, 1962

January 18-February 9, 1962

No. of 2-Way Quotes 1/18/62 _____
 High Bid 1/18/62 _____
 Low Offer 1/18/62 _____
 Industry _____

Location Code _____
 Asset Size (000) _____
 Date Offered _____

Shs. Outstanding (000) _____
 No. of Stockholders _____
 Concentration of Shs. _____

DEALERS WITH POSITIONS*

DEALERS WITH NO POSITIONS

	No. of Trans.	No. of Shares	Average Price (\$)		No. of Trans.	No. of Shares	Average Price (\$)
PURCHASES BY FIRM AS DEALER (Principal)							
a. From other broker-dealers	_____	_____	_____	_____	_____	_____	_____
b. From individuals	_____	_____	_____	_____	_____	_____	_____
c. From others	_____	_____	_____	_____	_____	_____	_____
d. Total	_____	_____	_____	_____	_____	_____	_____
SALES BY FIRM AS DEALER (Principal)							
a. To other broker-dealers	_____	_____	_____	_____	_____	_____	_____
b. To individuals	_____	_____	_____	_____	_____	_____	_____
c. To others	_____	_____	_____	_____	_____	_____	_____
d. Total	_____	_____	_____	_____	_____	_____	_____
TOTAL TRANSACTIONS AS DEALER	_____	_____	_____	_____	_____	_____	_____
PURCHASES BY FIRM AS BROKER (Agent)							
a. For other broker-dealers	_____	_____	_____	_____	_____	_____	_____
b. For individuals	_____	_____	_____	_____	_____	_____	_____
c. For others	_____	_____	_____	_____	_____	_____	_____
d. Total	_____	_____	_____	_____	_____	_____	_____
SALES BY FIRM AS BROKER (Agent)							
a. For other broker-dealers	_____	_____	_____	_____	_____	_____	_____
b. For individuals	_____	_____	_____	_____	_____	_____	_____
c. For others	_____	_____	_____	_____	_____	_____	_____
d. Total	_____	_____	_____	_____	_____	_____	_____
TOTAL TRANSACTIONS AS BROKER	_____	_____	_____	_____	_____	_____	_____
TOTAL TRANSACTIONS AS DEALER AND BROKER	_____	_____	_____	_____	_____	_____	_____

* Total Position _____ shares.
 Source: IPM Tables 5 and 12.

APPENDIX VII-G

PRICE ANALYSIS OF TRANSACTIONS BY SPONSORS, MARKET MAKERS AND OTHERS

Summary Card 2, a copy of which is attached, divides all broker-dealers into three major categories: sponsors, market makers, and others. Sponsors are those broker-dealers who, in response to Questionnaire OTC-3, responded that they considered themselves to be "sponsors" of the security in question. The term was not defined. Market makers are those broker-dealers who did not identify themselves as sponsors but who either (a) affirmatively responded that they "made a market," i.e., entered a listing in the daily "sheets" of the NQB and/or stood ready to buy or sell the stock in limited quantity, or (b) even if they did not affirmatively so respond, had entered, on January 18, 1962, a two-way quotation in the NQB sheets for the security in question. The category "other" includes all broker-dealers who are not market makers or sponsors. These broker-dealers primarily acted for public customers, either on a principal or agency basis.

Comparisons were made between average prices of transactions by sponsors versus market makers and sponsors versus other broker-dealers. Of the 135 stocks in the 200-stock sample which were traded on January 18, 1962, only 62 had sponsors. Moreover, sponsors traded on January 18 in only 51 of the stocks and had transactions with individuals, either on a principal or agency basis, in only 21 of these issues. No conclusions with respect to pricing practices should be drawn where the number of comparisons is small and particularly where the percentage differences are not great.

The result of the price analysis follows:

Comparison of average prices of transactions by sponsors with transactions by market makers and transactions by other broker-dealers, 51 selected stocks on Jan. 18, 1962¹

Item No.	Type of transaction	Total number of stocks in which comparisons could be made	Item (a) exceeds item (b)		Item (a) is less than item (b)		Item (a) equals item (b)	
			Number of stocks	Percent of total	Number of stocks	Percent of total	Number of stocks	Percent of total
1(a)	Average price of— <i>Sponsors' purchases as principal</i>							
	vs.							
2(a)	<i>Market makers' purchases as principal</i>	29	14	48.3	13	44.8	2	6.9
	vs.							
3(a)	<i>Other broker-dealers' purchases as principal</i>	27	4	14.8	21	77.8	2	7.4
	vs.							
4(a)	<i>Sponsors' sales as principal</i>	31	18	58.1	11	35.5	2	6.4
	vs.							
5(a)	<i>Market makers' sales as principal</i>	30	15	50.0	14	46.7	1	3.3
	vs.							
6(a)	<i>Sponsors' purchases as principal from other broker-dealers</i>	22	14	63.6	8	36.4		
	vs.							
7(a)	<i>Sponsors' sales as principal to other broker-dealers</i>	23	14	60.9	8	34.8	1	4.3
	vs.							
	<i>Individuals' purchases from sponsors as principal</i>							
	vs.							
	<i>Individuals' purchases from market makers as principal</i>	7	3	42.8	2	28.6	2	28.6

See footnotes at end of table.