

DEFINITIONS

- Equity Security:** The term "equity security" includes any form of common or preferred stock or shares of beneficial interest, but does not include rights, warrants, or convertible debentures.
- Transaction:** The term "transaction" means the purchase or sale of one security at one price, at one time, from, to, or through one broker-dealer (or direct vendor or vendee), in one market, through one type of order. As used herein, the terms "purchase" and "sale" include all purchases and sales except: the purchase of stock through the exercise of rights or warrants; the receipt of stock through stock dividends or splits; and exchanges of one security for another pursuant to conversion rights, mergers or plans of reorganization.
- Listed Security:** The term "listed" security means a security registered on any securities exchange or entitled to unlisted trading privileges on such an exchange.
- Unlisted Security:** The term "unlisted" security means a security which is neither listed on a securities exchange nor entitled to unlisted trading privileges on such an exchange.
- Public Utility Company:** The term "public utility company" includes electric light and power, gas, water, telephone, and telegraph companies, but does not include railroads or other transportation companies.
- Block Purchase or Sale:** The terms "block purchase" and "block sale" mean a change of position resulting from a single primary investment decision. A block purchase or sale may involve more than one transaction.

PART I

1. Describe briefly but specifically your practices with respect to making decisions as to the manner of effectuating purchases and sales (as distinguished from decisions as to what purchases and sales should be made) of equity securities for your portfolio. Without limiting the generality of the foregoing, your answer should include:

- a. A description of your (or your investment adviser's) trading (or order) department, including its size, its organization, the extent of its authority, and the name of the person or group from whom it receives instructions and to whom it reports concerning transactions in securities for your portfolio.
- b. Whether, and the extent to which, such department ordinarily has authority to select the broker-dealer(s), the market channel(s), and/or the type(s) of executions, to be used in accomplishing any purchase or sale.
- c. Whether, and the extent to which, such department is given discretion with respect to the securities to be purchased (including the allocation of new money).
- d. Whether, and the extent to which, such department is given discretion with respect to prices.
- e. Whether, the extent to which, and the circumstances in which, a single broker-dealer is given discretion to determine how and/or where to accomplish a block purchase or sale (as distinguished from keeping such discretion in your (or your adviser's) trading department and handling the total purchase or sale by giving a series of specific instructions to broker-dealers).
- f. If a bank or other outside entity has authority to make decisions as to how and/or where to effectuate purchases and sales of equity securities for your portfolio, the extent of its authority.

NOTE: If you were a recipient of the Wharton School Investment Company Size Study Questionnaire for Open-End Companies, to the extent your answer(s) to that questionnaire covered the above matters and are still timely, you may answer this question 1 by appropriate specific cross reference to such answer(s).

ANSWER:

2. Describe briefly but specifically the considerations or criteria that affect your (or your investment adviser's) decisions with respect to the manner of effectuating purchases or sales of equity securities, and how such considerations or criteria affect such decisions, including the particular considerations or criteria affecting the selection of the broker-dealers, the market channels, and the types of execution to be employed. Without limiting the generality of the question, your answer should include:
- a. A description of the circumstances and considerations which affect, and how they affect, determinations as to whether some special form of transaction (an Exchange Distribution or Acquisition, a Special Offering or Bid, a Specialist Block Purchase or Sale, or a secondary distribution or other form of off-board trade requiring Exchange approval) is to be used to accomplish a purchase or sale of a listed security.
  - b. A description of the circumstances and considerations which affect, and how they affect, determinations as to whether purchases or sales of New York Stock Exchange listed securities are to be made on other exchanges or through over-the-counter dealers.
  - c. A specific indication of the circumstances in which "not held" orders (orders discretionary as to price and/or time) might or would be used.
  - d. A specific indication of the frequency and circumstances in which you have placed orders directly with a specialist or specialist's firm for the purchase or sale of securities in which such specialist is registered.
  - e. A specific indication of the extent to which, and in what manner, decisions as to market channels and/or types of executions depend upon (i) the size of the specific order, (ii) the total amount of the security proposed to be purchased or sold, (iii) the type of security, (iv) the length of time in which it is desired to complete a purchase or sale, and (v) the desire to allocate commission business and/or facilitate commission splitting.

NOTE: If you were a recipient of the Wharton School Investment Company Size Study Questionnaire for Open-End Companies, to the extent your answer(s) to that questionnaire covered the above matters and are still timely, you may answer this question 2 by appropriate specific cross reference to such answer(s).

ANSWER:

PART II

3. Report on appended Forms A your portfolio transactions in equity securities during the months of March 1961 and April 1962. Use separate Forms for each month, and with respect to each month use separate Forms or sets of Forms for reporting transactions (a) in preferred stocks, (b) in common stocks of public utility companies, and (c) in common stocks of companies other than public utility companies. The total of the transactions reported on appended Forms A should equal the total of all of your portfolio transactions in equity securities during March 1961 and April 1962.
4. Indicate briefly but specifically, for listed and for unlisted securities in each of the categories (a) through (c) mentioned in question 3, whether the transactions shown on Forms A are typical or atypical (and if atypical, in what way) of your portfolio transactions in such securities for the whole of 1961 and for 1962 to date. Without limiting the generality of the foregoing, your answer should include consideration of the following:
  - a. The number of transactions per month.
  - b. The dollar and share size of individual transactions.
  - c. The market channels used.
  - d. The types of orders used.
  - e. The number of broker-dealers involved.
  - f. The proportion of principal as opposed to agency transactions.

ANSWER:

5. For each of the following block<sup>1</sup> purchases or sales of listed equity securities accomplished during calendar 1961, report on a separate Form or Forms B the transactions making up such purchase or sale:

Purchases

- a. The two largest (in terms of total number of shares involved) block purchases accomplished primarily (over 50% of the shares) on an exchange or exchanges.

Insert names of securities here:

(1) \_\_\_\_\_

(2) \_\_\_\_\_

- b. The two largest (in terms of total number of shares involved) block purchases accomplished primarily (over 50% of the shares) over-the-counter.

Insert names of securities here:

(1) \_\_\_\_\_

(2) \_\_\_\_\_

Sales<sup>2</sup>

- c. The two largest (in terms of total number of shares involved) block sales accomplished primarily (over 50% of the shares) on an exchange or exchanges.

Insert names of securities here:

(1) \_\_\_\_\_

(2) \_\_\_\_\_

- d. The two largest (in terms of total number of shares involved) block sales accomplished primarily (over 50% of the shares) over-the-counter.

Insert names of securities here:

(1) \_\_\_\_\_

(2) \_\_\_\_\_

<sup>1</sup>See the definitions on page 2.

<sup>2</sup>Do not include as a block sale, in response to question 5, any sale accomplished entirely through an Exchange Distribution, a Special Offering, a Specialist Block Purchase, or a secondary distribution.

6. For each of the following block purchases and sales of unlisted equity securities accomplished in calendar year 1961, report on a separate Form or Forms B the transactions making up such purchase or sale:

Purchases

- a. The two largest (in terms of total number of shares involved) block purchases accomplished.

Insert names of securities here:

(1) \_\_\_\_\_

(2) \_\_\_\_\_

Sales

- b. The two largest (in terms of total number of shares involved) block sales accomplished.

Insert names of securities here:

(1) \_\_\_\_\_

(2) \_\_\_\_\_

7. Report on appended Form C all your transactions during 1961 in new issues of equity securities. Include all acquisitions through allotments of the original offering and later purchases, and all dispositions. The term "new issue" for this purpose means a class of equity securities of an issuer offered publicly for the first time during 1961.

PART III

8. List, in order for your fiscal or calendar year 1961, the 20 broker-dealers who received the largest amounts of gross brokerage commissions in such year from your portfolio transactions in equity securities. Supply the following information for each such broker-dealer and for "all other" broker-dealers. (Table, page 11, following)

Definitions:

As used in this question, the term "commissions" includes, in addition to commissions on agency transactions, any discount, spread or concession on those principal transactions (i.e., new issues and secondary distributions) where the profit, discount, spread, or concession is fixed by agreement under the rules of a national securities exchange,

(continued on page 12)

1104 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

BROKER-DEALER (name)	Gross Commissions (received)	Give-Ups		Net Commissions (received)
		(received)	(paid)	
1.	\$ _____	\$ _____	\$ _____	\$ _____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____
7.	_____	_____	_____	_____
8.	_____	_____	_____	_____
9.	_____	_____	_____	_____
10.	_____	_____	_____	_____
11.	_____	_____	_____	_____
12.	_____	_____	_____	_____
13.	_____	_____	_____	_____
14.	_____	_____	_____	_____
15.	_____	_____	_____	_____
16.	_____	_____	_____	_____
17.	_____	_____	_____	_____
18.	_____	_____	_____	_____
19.	_____	_____	_____	_____
20.	_____	_____	_____	_____
All others: <u>      </u> number	_____	_____	_____	_____
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____

8. (continued, Definitions)

or by prospectus. The term "gross commissions" means the total amounts received to your knowledge (or that of your investment adviser or, in the case of investment companies, your principal underwriter) through direct or indirect participation in "commissions" from your portfolio transactions in equity securities; the term "give-ups received" means amounts received from other broker-dealers at your direction or request (or at the direction or request of your investment adviser or, in the case of investment companies, your principal underwriter); the term "give-ups paid" means amounts paid to others at your direction or request (or at the direction or request of your investment adviser, or in the case of investment companies, your principal underwriter); and the term "net commissions received" means gross commissions received plus give-ups received, less give-ups paid.

9. Did you (or your investment adviser or, in the case of investment companies, your principal underwriter) during 1961 or the first six months of 1962 maintain a list or lists of broker-dealers who were to participate directly or indirectly in commissions from your portfolio transactions in equity securities?

Yes

No

If yes, attach copies of all such lists used at any time in 1961 or the first half of 1962.

10. Describe briefly but specifically all business relationships or arrangements you had with each of the broker-dealers named in response to question 8 or in the list(s) submitted in response to question 9, including all services or benefits which you (or your investment adviser or, in the case of investment companies, your principal underwriter) received from such broker-dealers, other than the execution of specific portfolio transactions.

ANSWER:

11. Describe briefly but specifically whatever system, formula, ratio, or other criteria you use in arriving at the distribution of portfolio business and portfolio commissions among broker-dealers.

ANSWER:



PART IV

12. For each of your fiscal or calendar years 1960 and 1961, list the following figures:

a. Total purchases, by gross dollar cost, of equity securities during the year.

1960 \$ \_\_\_\_\_

1961 \$ \_\_\_\_\_

b. Total sales, by net dollar proceeds, of equity securities during the year.

1960 \$ \_\_\_\_\_

1961 \$ \_\_\_\_\_

c. Total market value of holdings of equity securities at the beginning of the year.

1960 \$ \_\_\_\_\_

1961 \$ \_\_\_\_\_

d. Total market value of holdings of equity securities at the end of the year.

1960 \$ \_\_\_\_\_

1961 \$ \_\_\_\_\_

e. Total assets, as shown on your books at the end of the year, broken down into the following categories:

	1960	1961
cash	\$ _____	\$ _____
bonds	_____	_____
equity securities	_____	_____
other assets	_____	_____
<b>TOTAL ASSETS</b>	\$ _____	\$ _____

PART V

13. Indicate whether the proportion of your over-the-counter transactions (excluding secondaries, Specialist Block Purchases or Sales, and new offerings), in relation to your exchange transactions, has been increasing or decreasing (or has remained unchanged) over the past five years in each of the following categories of listed equity securities:

a. Listed preferred stocks

increasing [    ]

decreasing [    ]

no change [    ]

b. Listed common stocks of  
public utility companies

increasing [    ]

decreasing [    ]

no change [    ]

c. Listed common stocks of  
companies other than  
public utility companies

increasing [    ]

decreasing [    ]

no change [    ]

1108 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

14. State any suggestions you have for changes in the practices, procedures, or structures of the various securities markets which in your opinion would make them better adapted to your use and needs.

ANSWER:

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

Date: \_\_\_\_\_  
Name of Respondent

by \_\_\_\_\_  
Signature and Title of Officer or Director

IF YOU NEED ADDITIONAL COPIES OF THE FORMS ENCLOSED WITH  
THIS QUESTIONNAIRE, FILL OUT THIS BLANK AND MAIL TO:

Securities and Exchange Commission  
Publications Unit  
Washington 25, D. C.

-----  
IN-4 Questionnaire

Please send me the following:

Form A \_\_\_\_ copies

Form B \_\_\_\_ copies

Form C \_\_\_\_ copies

Name of Firm \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

1110 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

IN - 4

FORM A

BUDGET BUREAU  
APPROVAL NO. 71.6213

REPORT OF PORTFOLIO TRANSACTIONS

FOR  MARCH 1961 (check one)  APRIL 1962

IN  PREFERRED STOCKS  COMMON STOCKS OF PUBLIC UTILITY COMPANIES  COMMON STOCKS OF COMPANIES OTHER THAN PUBLIC UTILITY COMPANIES

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

Name of Respondent: \_\_\_\_\_

NAME OF ISSUER AND CLASS OF SECURITIES (1)	(check one)		TRADE DATE (4)	NUMBER OF SHARES (5)	PRICE PER SHARE (6)	TOTAL PRICE (7)	Exchange Commission (// any) (8)	Market (9)	Type of Brokerage Order (// any) (10)	Special Type of Transaction (// any) (11)	NAME OF BROKER-DEALER (12)
	Purchase	Sale									

DS-4348 This is to certify that the information contained herein is true, complete and correct.

DATE \_\_\_\_\_ NAME OF RESPONDENT \_\_\_\_\_ SIGNATURE AND TITLE OF OFFICER OR DIRECTOR \_\_\_\_\_ SHEET NO. \_\_\_\_\_

Form A  
INSTRUCTIONSTransactions and period covered

Report each transaction in the category of stock and for the month checked on the face of the Form. For the definition of the term "transaction", see the definitions in the Questionnaire.

List each transaction on a separate line.

Column 5

Where a block purchase or sale of any particular security was effected by means of more than one transaction, indicate which transactions were part of the same block by letter symbols, as follows. For the first block listed on the form, identify the transactions involving that block by adding the letter "A" after each entry in Column 5 involving that block; for the second block, use the letter "B"; etc.

Column 7

Show the total cost or proceeds (exclusive of brokerage commissions and transfer taxes) for the transaction of purchase or sale shown on that line.

Column 8

Show the total commissions, if any, incurred in effecting the purchase or sale shown on the line. If no commission was incurred, insert the word "None".

Column 9

Indicate in this column by one of the following symbols the market channel or channels used for executing the transaction: "NYS" New York Stock Exchange; "AMS" American Stock Exchange; "MSE" Midwest Stock Exchange; "BSE" Boston Stock Exchange; "DSE" Detroit Stock Exchange; "PBS" Philadelphia-Baltimore Stock Exchange; "PCS" Pacific Coast Stock Exchange; "Other" other stock exchanges (specify by footnote which exchange); or "OTC" Over-the-Counter.

Column 10

If the transaction was an agency transaction, indicate in this column by one of the following symbols the type of order: "MKT" Market Order; "LMT" Limited Price Order; "DIS" Discretionary Order (as to time and/or price). If the transaction was not an agency transaction, insert the word "None".

Column 11

If the transaction involved the use of a special distribution or acquisition plan, or if it involved a direct purchase from the issuer or a direct negotiation with your vendor or vendee, indicate in this column by the use of one of the following code numbers, the type of such plan used in connection with the transaction: "1" Specialist Block Purchase or Sale; "2" Exchange Distribution or Acquisition; "3" Special Offering or Bid; "4" Secondary Distribution; "5" Purchase from Issuer; "6" Allotment in an Underwriting; or "7" Direct Negotiation with Vendor or Vendee. If the transaction did not involve any of the foregoing, insert the word "None".

Column 12

If the transaction was an agency transaction, name the broker-dealer acting as agent for you; if the transaction was a principal transaction, name the broker-dealer or other direct principal from or to whom the securities were purchased or sold.

Please send completed forms to:

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



**Form B**  
**INSTRUCTIONS**

Transactions covered

Fill in the name of the security involved in the block purchase or sale, and the question (including the subparagraph), to which the Form relates, in the spaces provided on the face of the Form. Report each transaction involved in the block purchase or block sale of the security named on the face of the Form. For the definition of the terms "block purchase or sale" and "transaction", see the definitions in the Questionnaire.

List each transaction on a separate line.

Column 4

Show the total cost or proceeds (exclusive of brokerage commissions and transfer taxes) for the transaction of purchase or sale shown on that line.

Column 5

Show the total commissions, if any, incurred in effecting the purchase or sale shown on the line. If no commission was incurred, insert the word "None".

Column 6

Indicate in this column by one of the following symbols the market channel or channels used for executing the transaction: "NYS" New York Stock Exchange; "AMS" American Stock Exchange; "MSE" Midwest Stock Exchange; "BSE" Boston Stock Exchange; "DSE" Detroit Stock Exchange; "PBS" Philadelphia-Baltimore Stock Exchange; "PCS" Pacific Coast Stock Exchange; "Other" other stock exchanges (specify by footnote which exchange); or "OTC" Over-the-Counter.

Column 7

If the transaction was an agency transaction, indicate in this column by one of the following symbols the type of order: "MKT" Market Order; "LMT" Limited Price Order; "DIS" Discretionary Order (as to time and/or price). If the transaction was not an agency transaction, insert the word "None".

Column 8

If the transaction involved the use of a special distribution or acquisition plan, or if it involved a direct purchase from the issuer or a direct negotiation with your vendor or vendee, indicate in this column by the use of one of the following code numbers, the type of such plan used in connection with the transaction: "1" Specialist Block Purchase or Sale; "2" Exchange Distribution or Acquisition; "3" Special Offering or Bid; "4" Secondary Distribution; "5" Purchase from Issuer; "6" Allotment in an Underwriting; or "7" Direct Negotiation with Vendor or Vendee. If the transaction did not involve any of the foregoing, insert the word "None".

Column 9

If the transaction was an agency transaction, name the broker-dealer acting as agent for you; if the transaction was a principal transaction, name the broker-dealer or other direct principal from or to whom the securities were purchased or sold.

Please send completed forms to:

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



# 1114 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

IN - 4

## FORM C

BUDGET BUREAU  
APPROVAL NO. 71-8213

### REPORT OF PORTFOLIO TRANSACTIONS IN NEW ISSUES FOR THE YEAR 1961

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

Name of Respondent: \_\_\_\_\_

NAME OF ISSUER AND CLASS OF SECURITIES (1)	DATE OF INVESTMENT DECISION (2)	(check one)			TRADE DATE (6)	NUMBER OF SHARES (7)	PRICE PER SHARE (8)	TOTAL PRICE (9)	BROKERAGE COMMISSION (if any) (10)	NAME OF BROKER-DEALER (11)	ORIGINAL OFFERING PRICE (12)
		Purchase In Original Offering (3)	Purchase After Original Offering (4)	Sale (5)							

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

DATE \_\_\_\_\_ NAME OF RESPONDENT \_\_\_\_\_ SIGNATURE AND TITLE OF OFFICER OR DIRECTOR \_\_\_\_\_ SHEET NO. \_\_\_\_\_

Form C  
INSTRUCTIONS

Transactions and period covered

For the calendar year 1961, report each transaction in new issues of equity securities. Include acquisitions through allotments of the original offering plus later purchases, and all dispositions. The term "new issue" as used herein means a class of equity securities of an issuer offered publicly for the first time during 1961. For the definitions of the terms "transaction" and "equity securities", see the definitions in the Questionnaire.

Column 1

List each issuer alphabetically.

List each transaction on a separate line.

Column 2

State the date on which the investment decision was made to effect the transaction shown on that line.

Column 3

If the transaction was a purchase in the original offering, place a check mark in this column.

Column 4

If the transaction was a purchase which was not part of the original offering, place a check mark in this column.

Column 5

If the transaction was a sale, place a check mark in this column.

Column 9

Show the total cost or proceeds (exclusive of brokerage commissions and transfer taxes) for the transaction of purchase or sale shown on that line.

Column 10

Show the total commissions, if any, incurred in effecting the purchase or sale shown on the line. If no commission was incurred, insert the word "None".

Column 11

If the transaction was a principal transaction, name the broker-dealer (or other principal) from or to whom the securities were purchased or sold; if the transaction was an agency transaction, name the broker-dealer acting as agent for you.

Column 12

List the original offering price of the security in this column.

Please send completed forms to:

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

APPENDIX VIII-B

QUESTIONNAIRE OTC-6

TO SELECTED BROKER-DEALERS (NONMEMBERS OF THE NEW YORK STOCK  
EXCHANGE TRADING IN LISTED SECURITIES OVER THE COUNTER)



SPECIAL STUDY OF  
SECURITIES MARKETS

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON 25, D.C.

August 17, 1962

Gentlemen:

We understand that your firm actively engages in over-the-counter trading in securities which are admitted to trading on the New York Stock Exchange. One of the subjects we are studying is the nature of the various markets in which securities are traded. We therefore request your cooperation in completing the enclosed questionnaire Form OTC-6 and the attached forms. Instructions are contained on the questionnaire and forms.

The fact that you have received this questionnaire should not be construed as a reflection upon your firm or upon any security or your transactions in it.

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 to all questions not later than September 12, 1962.

Extra copies of the questionnaire are enclosed for your records. Additional copies of the questionnaire and forms may be obtained from the Special Study of Securities Markets, Securities and Exchange Commission, Washington 25, D. C.

Sincerely yours,

Milton H. Cohen  
Director

Enclosure

REPORT OF SPECIAL STUDY OF SECURITIES MARKETS 1117

Form OTC-6

Budget Bureau Approval  
No. 71-6218

SPECIAL STUDY OF SECURITIES MARKETS

Securities and Exchange Commission  
Washington 25, D. C.

QUESTIONNAIRE

Name of Firm: \_\_\_\_\_

Address of Main Office: \_\_\_\_\_

INSTRUCTIONS

Every question in this questionnaire 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 \_\_\_\_."

The completed questionnaire should be returned not later than September 12, 1962. Any inquiries concerning this questionnaire should be directed to either David Silver (202 - WOrth 2-4262) or Tom Thomas (202 - WOrth 2-1892) of the Special Study of Securities Markets, Securities and Exchange Commission, Washington 25, D. C. Please use the form number (OTC-6) in any inquiries.

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

DEFINITIONS

**Listed Securities:** The term "listed securities" means securities admitted to trading on the New York Stock Exchange but not bonds or guaranteed and preferred stocks which the Exchange permits its members to trade off the Exchange in the ordinary course of business.

**Make a Market:** The term "make a market" for any listed security means standing ready to buy or sell such security in limited quantities and/or entering a listing in the "sheets" of the National Quotation Bureau for such security.

PART I

1. a. Estimate below the share volume and dollar value of all your over-the-counter sales of listed securities\* effected for your own account and for the account of your customers during the years 1949, 1955 and 1961.

Note: The data you supply in answer to this question should be compiled on a basis consistent with your answer to question 4 of OTC-3 which you previously submitted to the Special Study; that is, do not include sales effected by your firm as a member of a syndicate or selling group. If your business has succeeded to the business of one or more predecessors, include the volume of business of such predecessors in the appropriate year(s) for the purpose of this question.

	<u>Number of Shares Sold</u>		<u>Value of Shares Sold</u>	
	<u>Dealer</u>	<u>Agent</u>	<u>Dealer</u>	<u>Agent</u>
1949	_____	_____	_____	_____
1955	_____	_____	_____	_____
1961	_____	_____	_____	_____

- b. If you have been effecting over-the-counter transactions in listed securities\* for five years or more, indicate whether your over-the-counter sales in each of the following categories of listed securities (based on the dollar value of such sales) in relation to your total over-the-counter sales of listed securities have been increasing or decreasing (or have remained unchanged) over the past five years:

(1) Listed preferred stocks:

[ ] increasing [ ] decreasing [ ] unchanged

(2) Listed common stocks of public utility companies:

[ ] increasing [ ] decreasing [ ] unchanged

(3) Listed common stocks of companies other than public utility companies:

[ ] increasing [ ] decreasing [ ] unchanged

\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.

2. Do you subscribe to a New York Stock Exchange ticker?

Yes [ ]

No [ ]

3. Do you have a private wire connection with any New York Stock Exchange member firm?

Yes [ ]

No [ ]

If your answer to this question is in the affirmative, indicate the number of private wire connections: \_\_\_\_\_

1120 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

PART II

If you have made a market\* in any listed security\*\* at any time since January 1, 1960, answer the questions in this part (II) of the questionnaire.

4. State the year that you first commenced making a market in any listed security.\*\*
5. a. List below or on an attached sheet the listed securities\*\* in which you made a market at any time during the year 1955. List separately the listed securities in which you made a market at any time during the year 1960.

1955

1960

\* Please note carefully the definition of the term "make a market" on page 1 of the questionnaire.

\*\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.

- b. List below or on an attached sheet the listed securities\* in which you made a market at any time during the year 1961, and estimate the share volume and dollar value of all the sales effected over the counter by you as principal and as agent.

<u>Name of Security</u>	<u>Number of Shares Sold</u>		<u>Value of Shares Sold</u>	
	Principal	Agent	Principal	Agent

- c. If you added listed securities\* to your markets or discontinued making a market in any listed security during 1962, state the name of each such security, whether it was added or discontinued, and the approximate date of each such addition or discontinuance.

6. State the factors which you take into consideration before you undertake to make a market in a listed security\* and the factors you take into consideration when you discontinue making such a market.

\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.





9. When acting as principal in the purchase or sale of a listed security\* over the counter, do you ever:

a. "Give up" a portion of your mark-up at the direction of any of your customers to a party who is not a principal to the transaction?

Yes [ ] No [ ]

b. Confirm a transaction at the direction of any of your customers to a broker-dealer who is not a principal to the transaction?

Yes [ ] No [ ]

If your answer to either part of this question is in the affirmative, state to the best of your knowledge the reason(s) why you are directed to make such "give ups" and/or confirmations.

\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.

PART III

If any of your over-the-counter sales of listed securities\* in 1961, as reported in your answer to question 1, were effected by you on an agency basis, answer the questions in this part (III) of the questionnaire.

10. State briefly but specifically the pricing methods you use when buying or selling listed securities\* over the counter on an agency basis; e.g., the last price on the New York Stock Exchange; New York Stock Exchange bid and asked quotations; negotiated prices on blocks, etc.

11. State what commissions you generally charge when buying or selling listed securities\* over the counter on an agency basis. If you employ more than one commission rate schedule, explain the basis for charging the different rates. If you ever act as agent for both parties to a trade, so state, and specify whether you charge commissions against both the buyer and seller in such transactions.

\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.

12. When acting as agent in the purchase or sale of a listed security\* over the counter, do you ever:

a. "Give up" any portion of your commission at the direction of any of your customers to a party who is not a principal to the transaction?

Yes [    ]

No [    ]

b. Confirm a transaction at the direction of any of your customers to a broker-dealer who is not a principal to the transaction?

Yes [    ]

No [    ]

If your answer to either part of this question is in the affirmative, state to the best of your knowledge the reason(s) why you are directed to make such "give ups" and/or confirmations.

\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.

PART IV

13. Do you ever place on any national securities exchange orders to buy or sell a listed security\*?

Yes [    ]

No [    ]

If your answer to this question is in the affirmative, state the reason(s) for placing such orders on a national securities exchange; e.g. for investment purposes, customer's instructions, to offset inventory positions resulting from over-the-counter business, to facilitate "give ups" to exchange members, to facilitate "give ups" to other broker-dealers, etc.

\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.

PART V

14. a. In the course of your making a market in any listed security,\* do you ever make short sales for your own account?

Yes [ ] No [ ]

- b. In the course of your acting as agent for sellers of listed securities\* over the counter, or in the course of your purchasing listed securities as principal over the counter, do the transactions ever constitute short sales on the part of the seller?

Yes [ ] No [ ]

- c. Would you generally know whether the transactions referred to in part (b) of this question constituted short sales?

Yes [ ] No [ ]

- d. If your answer to either part (a) or (b) of this question is in the affirmative, indicate briefly but specifically the circumstances in which short sales are made and any special procedures followed for borrowing securities, designating the sale as short, etc.

\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.

PART VI

15. Enter below the names of the five industrial listed securities\* and the five utility listed securities in which you had the largest share volume during the year 1961 as principal.

Note: Do not include transactions effected by your firm as a member of a syndicate or selling group.

Name of Security

Industrial

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_

Utility

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_

\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.

16. Enter below the names of the five industrial listed securities\* and the five utility listed securities in which you had the largest share volume during the year 1961 as agent.

Note: Do not include transactions effected by your firm as a member of a syndicate or selling group.

	<u>Name of Security</u>
<u>Industrial</u>	
1.	_____
2.	_____
3.	_____
4.	_____
5.	_____
<u>Utility</u>	
1.	_____
2.	_____
3.	_____
4.	_____
5.	_____

\* Please note carefully the definition of "listed securities" on page 1 of the questionnaire.



1130 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

17. Please report on the enclosed copies of Form A your firm's transactions in each security listed in response to question 15, and in each security listed in response to question 16, in accordance with the following instructions.

a. Transactions to be reported:

Each purchase and each sale transaction, during the periods described under (b) below, by your firm either as principal or as agent effected over-the-counter or on an exchange, other than purchases or sales effected by your firm as a member of a syndicate or selling group.

b. Reporting periods:

- (i) The week starting March 19, 1961.
- (ii) The week starting January 14, 1962.
- (iii) The week starting May 27, 1962.

c. If any security appears in your answer to both questions 15 and 16, you need not file a duplicate report of your firm's transactions in such security.

d. Please note carefully the more detailed instructions contained on the reverse side of Form A.

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

\_\_\_\_\_  
Authorized firm signature

By: \_\_\_\_\_  
Name of Partner or Officer

Title: \_\_\_\_\_

REPORT OF SPECIAL STUDY OF SECURITIES MARKETS 1131

OTC - 6

Form A

BUDGET BUREAU  
APPROVAL NO. 71-6218

POSITIONS AND TRANSACTIONS IN  
SELECTED STOCKS LISTED ON NEW YORK STOCK EXCHANGE

For the weeks: March 19-25, 1961; January 14-20, 1962; May 27-June 2, 1962  
(Please read instructions on reverse side carefully before filling out form.)

Name of Stock \_\_\_\_\_

Firm Name \_\_\_\_\_ Address of Main Office \_\_\_\_\_

Firm's position in the above stock at close of business on: \*  
March 24, 1961 \_\_\_\_\_ Shares      January 19, 1962 \_\_\_\_\_ Shares  
June 1, 1962 \_\_\_\_\_ Shares

ITEM NUMBER	TRADE DATE	DATE OF ENTRY OF ORDER	(check one) FIRM EFFECTED AS:		(check one) FIRM ACTED AS:		MARKET	NUMBER OF SHARES	PRICE PER SHARE	COMMISSION RECEIVED PER SHARE	PURCHASER		SELLER		COMMISSION PAID PER SHARE
			Purchase	Sale	Principal	Agent					Identity Of:	Identity Of:	Short or "Long" Sale		
														(3)	
1.															
2.															
3.															
4.															
5.															
6.															
7.															
8.															
9.															
10.															
11.															
12.															
13.															
14.															
15.															
16.															
17.															
18.															
19.															
20.															

\* Designate short position by an "S" and long position by an "L".

OTC - 6  
INSTRUCTIONS

1. Show each purchase and each sale effected by your firm whether as dealer or as agent, including all over-the-counter and all exchange transactions, but do not include purchases or sales effected by your firm as a member of a syndicate or selling group.
2. Include in your report transactions of the main office and of all branch offices of your firm.
3. Include in your report all transactions which you forwarded to your correspondent (if any) or any other broker-dealer for execution.
4. Report transactions for each security in chronological order.
5. Use a separate line in reporting each purchase and each sale. If you acted as agent for both buyer and seller, report the purchase on one line and the sale on the following line, and bracket the purchase and sale.
6. In column (1), be sure to report trade dates and not blotter, clearance, delivery or payment dates.
7. In column (2), enter the date when your firm transmitted the order for execution or, if it was not so transmitted, the date when it was received.
8. If you acted as agent for both buyer and seller, do not check both columns (3) and (4). Enter the purchase on one line and the sale on the following line, and bracket the purchase and sale, as directed in instruction 5 above.
9. Transactions in which you effected a purchase (or sale) for a customer by purchasing the security for your own account and then selling the security to the customer (or, in the case of a sale, to a third party) should be treated as two related principal transactions. Report the purchase on one line and the sale on the following line, and bracket the purchase and sale.
10. Enter in column (7) for each transaction one of the following:
  - (a) "NY": If the transaction was executed on the floor of the New York Stock Exchange.
  - (b) "E" If the transaction was executed on the floor of a national securities exchange other than the New York Stock Exchange.
  - (c) "OTC": If the transaction was executed over the counter.
11. The price per share is to be reported in column (9). "Price per share" should include mark-up, if any, but not commission.
12. Report in column (10) the commission received by your firm per share, stated in dollars per share; e.g., .125 (12½¢), .257 (25-7/10¢), 1.100 (\$1.10), etc. If no commission was received, place an "X" in column (10). Do not report commissions in fractions per share, and do not report the total commission received on the transaction. Commissions paid by your firm are to be reported in column (14), not in column (10).
13. The principal purchaser and the principal seller in each transaction are to be identified in columns (11) and (12) as follows:
  - (a) If your firm was a principal to the transaction, make the entry "FIRM" in the appropriate column.
  - (b) If a broker-dealer was a principal to the transaction, enter the name of the broker-dealer in the appropriate column.
  - (c) If an institution was a principal to the transaction, identify the institution in the appropriate column by type; i.e., bank, investment company, insurance company, non-financial corporation, or pension fund.
  - (d) If an individual was a principal to the transaction, enter "XX" in the appropriate column. "Individuals" should include individuals transacting business through a joint account with other individuals or as custodian for a minor.
  - (e) If the principal on the other side of a transaction is not known to you, enter "UNKNOWN" in the appropriate column.
14. In column (13) enter "S" if the sale constituted a short sale, enter "L" if the sale constituted a "long" (ordinary) sale, or enter "X" if the nature of the sale is not known to you.
15. Report in column (14) the commission paid by your firm per share, stated in dollars per share; e.g., .125 (12½¢), .257 (25-7/10¢), 1.100 (\$1.10), etc. If no commission was paid, place an "X" in column (10). Do not report commissions in fractions per share, and do not report the total commission paid on the transaction. Commissions received by your firm are to be reported in column (10), not in column (14).

Please send completed forms to:

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

APPENDIX VIII-C

QUESTIONNAIRE EX-4

TO MEMBERS AND MEMBER ORGANIZATIONS  
OF FOUR REGIONAL STOCK EXCHANGES  
(BOSTON, MIDWEST, PACIFIC COAST, AND  
PHILADELPHIA-BALTIMORE-WASHINGTON STOCK EXCHANGES)



SPECIAL STUDY OF  
SECURITIES MARKETS

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON 25, D.C.

June 29, 1962

TO: All member organizations of the Midwest Stock Exchange and members who are not affiliated with a member organization.

Gentlemen:

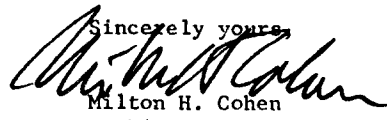
Under the provisions of Public Law 87-196, approved by the President on September 5, 1961, the Commission is authorized and directed to make a study and investigation of the securities markets and rules and practices relating thereto. The Commission has adopted an order of investigation authorizing members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

Your cooperation is requested in completing the attached questionnaire which is being sent to all member organizations and members of your Exchange and of three other regional stock exchanges. Part IV of this questionnaire is being separately distributed to all odd-lot dealer-specialists.

The purpose of the questionnaire is to obtain relevant data as to the various functions and activities of securities firms who are members of the regional stock exchanges. The fact that you have received this questionnaire is not to be construed as a reflection upon you or your firm or anyone connected with it. Nor should any questions about a particular action or course of conduct on your part be construed to mean that such action or conduct either is or is not deemed by the Commission to have been lawful, proper or otherwise desirable.

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 to all questions not later than July 27, 1962. The officials of your Exchange will inform you of the procedure to be followed in submitting your reply.

Extra copies of the questionnaire are enclosed for your records. Additional copies of the questionnaire and forms may be obtained at the Securities and Exchange Commission Regional Offices listed on the attached sheet or from the Special Study of Securities Markets, Securities and Exchange Commission, Washington 25, D. C.

Sincerely yours,  
  
Milton H. Cohen  
Director

Attachment

[Note: Identical questionnaires were sent to members and member organizations of the Boston, Pacific Coast, and Philadelphia-Baltimore-Washington stock exchanges.]

Additional copies of this questionnaire and forms may be obtained  
at the following Securities and Exchange Commission Regional Offices:

Boston Regional Office  
Federal Building  
Post Office Square  
Boston 9, Massachusetts

Chicago Regional Office  
630 Bankers Building  
105 W. Adams Street  
Chicago 3, Illinois

Los Angeles Branch Office  
Room 309 Guaranty Building  
6331 Hollywood Blvd  
Los Angeles 28, California

New York Regional Office  
Special Study of Securities Markets  
18th Floor  
225 Broadway  
New York 7, New York

San Francisco Regional Office  
Pacific Building  
821 Market Street  
San Francisco 3, California

REPORT OF SPECIAL STUDY OF SECURITIES MARKETS 1135

Form EX-4

Budget Bureau Approval  
No. 71-6211

SPECIAL STUDY OF SECURITIES MARKETS

Securities and Exchange Commission  
Washington 25, D. C.

QUESTIONNAIRE

Name of Member or Member Organization  
of the Midwest Stock Exchange: \_\_\_\_\_

Address of Main Office: \_\_\_\_\_

INSTRUCTIONS

Every question in this questionnaire 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 \_\_\_\_."

The completed questionnaire should be returned not later than July 27, 1962. The officials of your Exchange will inform you of the procedure to be followed in submitting your reply. Any inquiries concerning this questionnaire should be directed to either David Silver (202 - WOrth 2-4262) or Gary Strum (202 - WOrth 2-1895) of the Special Study of Securities Markets, Securities and Exchange Commission, Washington 25, D. C. Please use the form number (Form EX-4) in any inquiries.

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

DEFINITIONS

EXCHANGE: The term "EXCHANGE" means the Midwest Stock Exchange.

Office within the vicinity of the EXCHANGE: The term "office within the vicinity of the EXCHANGE" means an office or offices generating commission business located within:

[ Note: Identical questionnaires were sent to members and member organizations of the Boston, Pacific Coast, and Philadelphia-Baltimore-Washington stock exchanges. ]

Ohio	Michigan
Illinois	Wisconsin
Indiana	Missouri
Iowa	Minnesota

(Definitions continued on other side.)

DEFINITIONS (cont'd.)

- Firm:** The term "firm" means member organizations and members of the EXCHANGE who are not affiliated with a member organization.
- Dually traded stocks:** The term "dually traded stocks" means stocks traded both on the New York Stock Exchange and the EXCHANGE.
- Solely traded stocks:** The term "solely traded stocks" means stocks traded on the EXCHANGE which are not traded on either the New York or American Stock Exchanges.
- Public customers:** The term "public customers" includes all sources of business such as individuals, banks, funds, dealers, etc., except other members of the EXCHANGE.

PART I

TO BE ANSWERED BY ALL MEMBERS OR MEMBER ORGANIZATIONS OF THE EXCHANGE

1. Complete the table below for each national securities exchange of which your firm is a member.

Note: If your firm has received other copies of this questionnaire, Form EX-4, in connection with its membership on other national securities exchanges, question 1 need be answered on only one of such questionnaires. (Indicate in all other questionnaires the questionnaire in which this question is answered.)

Name of Exchange (1)	Type of Membership i.e., Regular or Associate Member (2)	Does your firm main- tain an office in the vicinity of the particular exchange (as defined on page 2)?		Indicate principal method your firm uses to execute orders on the particular exchange (Check appropriate box) (4)		
		Yes (3)	No.	Own Floor Partner	Other Member of Exchange	Exchange Facilities *
1.						
2.						
3.						
4.						
5.						
6.						

Name of Member or Member  
Organization

\* Exchange facilities refers to facilities provided by certain exchanges to execute orders for members who do not have their own floor brokers or do not use other members of the exchange.



---

 Name of Member or Member Organization
 

---

2. Indicate below the gross income of your firm for the year 1961\* derived from transactions on the EXCHANGE in each of the following categories:

- (a) Gross commissions from transactions executed on the EXCHANGE for your firm's public customers: \$ \_\_\_\_\_
- Less: Commissions which your firm paid or "gave-up" to other members of the EXCHANGE: \$ \_\_\_\_\_
- Commissions which your firm paid or "gave-up" to persons entitled to preferred non-member rates: \$ \_\_\_\_\_
- Net commissions from transactions executed on the EXCHANGE for your firm's public customers: \$ \_\_\_\_\_
- (b) Gross trading profits from any odd-lot dealer-specialist business \$ \_\_\_\_\_
- (c) Gross commissions or handling charges from any specialist activities \$ \_\_\_\_\_
- (d) Floor brokerage received from other members\*\* \$ \_\_\_\_\_
- (e) Clearing fees received from other members\*\* \$ \_\_\_\_\_
- (f) "Give-ups" of commissions involving direct payments from other members on transactions executed on the EXCHANGE \$ \_\_\_\_\_
- (g) Profits from trading (other than as odd-lot dealer-specialist) and arbitrage transactions involving the EXCHANGE \$ \_\_\_\_\_
- (h) Other EXCHANGE business income \_\_\_\_\_ \$ \_\_\_\_\_  
(Specify)
- Total Gross Income from EXCHANGE Business \$ \_\_\_\_\_

\* If your firm is on a fiscal year basis you may answer this question based on such fiscal year and by indicating below the date your fiscal year ends.

Fiscal year ends \_\_\_\_\_ .

\*\* If floor brokerage and clearance fees cannot be separated, show the entire amount in (d) and indicate that clearance fees are included.

3. If your answer to question 2(f) shows that your firm receives "give-ups" of commissions from other members of the EXCHANGE on transactions executed on the EXCHANGE, state:

(a) At whose direction commissions are generally "given-up" to you, e.g., by mutual funds, banks:

(b) The basis for such "give-ups" e.g., for sale of mutual fund shares, for research or investment advisory services, for business on other Exchanges, for brokerage and clearing services for a non-clearing member firm:

\_\_\_\_\_  
Name of Member or Member Organization

4. Does your firm have any formal or informal arrangement or understanding with any EXCHANGE member firm which is also a member of the New York Stock Exchange (NYSE) (including your clearing agent) whereby such member firm gives business to you for execution and/or clearance on the EXCHANGE in return for NYSE business you send to such member?

Yes [ ] No [ ]

If your answer is in the affirmative, state with respect to such reciprocal arrangement or understanding:\*

- (a) The name of the member firm with which you have such arrangement or understanding.
- (b) The ratio of exchange, e.g., 1-1, 2-1, 3-1. \_\_\_\_\_
- (c) The amount of gross income which you receive pursuant to such arrangement or understanding as an approximate percentage of your total income from EXCHANGE business as set forth under question 2 above. \_\_\_\_\_ %
- (d) The relative importance to you of the following sources of reciprocal business that you receive from such member firm:

Mark appropriate box\*\*

Dually traded stocks	[ ]
Solely traded stocks	[ ]
Over-the-counter stocks	[ ]

- (e) A brief description of any services, (e.g., research, investment advisory services, private wire connections, clearance) performed for you by such member firm.

\* If you have more than one such arrangement or understanding, attach a separate sheet for each additional arrangement or understanding.

\*\* Insert "1" in the box for most important source of reciprocal business, "2" for next most important source of reciprocal business, and "3" for the next most important source of reciprocal business.

---

Name of Member or Member Organization

PART II

To be answered only by members and member organizations of the EXCHANGE who are not members of the NYSE.

Note: If your firm has received other copies of this questionnaire, Form EX-4, in connection with its membership on other national securities exchanges, question 5 need be answered on only one of such questionnaires. (Indicate on all other questionnaires the questionnaire in which this question is answered.)

5. Indicate the principal activities of your firm based on the proportion of your firm's entire gross income (gross commissions, fees, trading profits, etc.) attributable to each of the following:

Mark appropriate boxes\*

- (a) Public commission business on regional stock exchange(s): \_\_\_\_\_ [ ]  
Name(s)
- (b) Floor broker on regional stock exchange(s): \_\_\_\_\_ [ ]  
Name(s)
- (c) Odd-lot dealer-specialist on regional stock exchange(s): \_\_\_\_\_ [ ]  
Name(s)
- (d) Activities as a full or associate member on the American Stock Exchange [ ]
- (e) Over-the-counter broker-dealer [ ]
- (f) Mutual fund sales [ ]
- (g) Underwriter and distributor [ ]
- (h) Other: \_\_\_\_\_ [ ]  
(Specify)

\* Insert "1" in the box for most important activity, "2" for the next most important activity, and "3" for the next most important activity, etc.

---

 Name of Member or Member Organization
PART III

To be answered only by members and member organizations  
of the EXCHANGE who are also members of the NYSE.

6. Does your firm ever execute on the EXCHANGE, or transmit for execution on the EXCHANGE, orders for purchase or sale of dually traded stocks?

Yes [    ]

No [    ]

If your answer is in the affirmative, indicate by rank the principal reasons for executing such orders or transmitting such orders for execution on the EXCHANGE:

Mark appropriate boxes\*

- |  |        |
|--|--------|
| (a) Because the orders originated in the vicinity of the EXCHANGE  | [    ] |
| (b) To reduce market impact of such orders on the NYSE   | [    ] |
| (c) Because a better price is available on the EXCHANGE  | [    ] |
| (d) Instructions by customers to "give up" portion of commission to an EXCHANGE member firm which is not a NYSE member | [    ] |
| (e) As part of a reciprocal arrangement or understanding with another member of the EXCHANGE                           | [    ] |
| (f) To retain a larger percentage of the gross commissions   | [    ] |
| (g) To save the New York State transfer tax  | [    ] |
| (h) Reports of executions are received more quickly  | [    ] |
| (i) To conceal source of such orders   | [    ] |
| (j) To reduce time involved in transferring securities   | [    ] |
| (k) To trade after the NYSE closes (This applies only to the Pacific Coast Stock Exchange)                             | [    ] |
| (l) Other _____<br>(Specify)   | [    ] |

\* Insert "1" in the box for most important reason, "2" for the next most important reason, and "3" for the next most important reason, etc.

7. Answer this question only if your firm has an office or offices in the vicinity of the EXCHANGE. Rank the following activities according to the amount of gross income (gross commissions, fees, trading profits, etc.) each activity produces for the firm:

Mark appropriate boxes\*

- (a) Public commission business executed on the EXCHANGE generated by your office(s) in the vicinity of the EXCHANGE [    ]
- (b) Odd-lot dealer-specialist or floor broker on the EXCHANGE [    ]
- (c) Public commission business executed on the NYSE generated by your office(s) in the vicinity of the EXCHANGE [    ]
- (d) Over-the-counter transactions generated by your office(s) in the vicinity of the EXCHANGE [    ]
- (e) Mutual fund sales generated by your office(s) in the vicinity of the EXCHANGE [    ]
- (f) Underwriting and/or distributing of securities by your office(s) in the vicinity of the EXCHANGE [    ]
- (g) Other: \_\_\_\_\_ [    ]

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

\_\_\_\_\_  
Authorized firm signature

By: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

\* Insert "1" in the box for the activity that produces the most income, "2" for the activity that produces the next most income, and "3" for the activity that produces the next most income, etc.

1144 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

Form EX-4

Budget Bureau Approval  
No. 71-6211

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
June 29, 1962

Name of odd-lot dealer-specialist  
unit and the participants therein

To: All odd-lot dealer-specialists of the Midwest Stock Exchange.

PART IV

This is Part IV of a questionnaire that is being sent to all member organizations and members of your EXCHANGE and of three other regional stock exchanges. Part IV is to be answered by odd-lot dealer-specialists and should be submitted along with Parts I, II and III not later than July 27, 1962. The officials of your Exchange will inform you of the procedure to be followed in submitting your reply. Any inquiries concerning the questionnaire should be directed to either David Silver (202 - WOrth 2-4262) or Gary Strum (202 - WOrth 2-1895) of the Special Study of Securities Markets, Securities and Exchange Commission, Washington 25, D.C. Please use the form number (Form EX-4) in any inquiries.

DEFINITIONS

**EXCHANGE:** The term "EXCHANGE" means the Midwest Stock Exchange.

**Dually traded stocks:** The term "dually traded stocks" means stocks traded both on the New York Stock Exchange and the EXCHANGE.

**Solely traded stocks:** The term "solely traded stocks" means stocks traded on the EXCHANGE which are not traded on either the New York or American Stock Exchanges.

[Note: Identical questionnaires were sent to members and member organizations of the Boston, Pacific Coast, and Philadelphia-Baltimore-Washington stock exchanges.]

Question 8 should be answered by each participant in the odd-lot dealer-specialist unit.

8. Are your odd-lot dealer or specialist accounts financed by another member of the EXCHANGE or by any person or entity not a member of the EXCHANGE?

Yes

No

If your answer is in the affirmative, state the name of each such financing source and the nature of the financing. If such financing source is a member of the EXCHANGE, indicate whether such member firm does a public customer business.

Questions 9, 10 and 11 should be answered by each odd-lot dealer-specialist unit--e.g., firm account, joint account, etc. Separate answers to these questions need not be prepared by each odd-lot dealer-specialist.

9. For all dually traded stocks in which you are registered as an odd-lot dealer-specialist, complete attached Form A setting forth all of your dealer transactions for the three one-week periods ending respectively, January 27, March 24, and June 16, 1961.

Note: If you have given the information required by Column II of Form A on your response to Form EX-2 previously distributed by the Special Study of Securities Markets to members of the NYSE, you need not complete Column II of Form A, but should indicate that the information has been furnished on Form EX-2. However, if only part of the transactions required by Column II of Form A were previously reported on Form EX-2 (e.g., if you reported only your portion of a joint account), all transactions should be reported on Form A.



1146 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

10. On attached Form B set forth the "Book" (i.e., orders held by you for customers or other brokers where the prices are away from the market) at the close of business on July 6, 1962, in the two most active solely traded stocks in which you are registered. In addition, if you are registered as an odd-lot dealer-specialist in any of the stocks listed on the back of Form B set forth the "Book" in each of these stocks at the close of business on July 6, 1962.
  
11. If you are registered as an odd-lot dealer-specialist in any of the stocks listed on Form C, for each of such stocks complete a separate Form C setting forth all of your dealer transactions in each such stock for May 28, 29 and 31, 1962.

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

\_\_\_\_\_  
Authorized firm signature

By: \_\_\_\_\_  
Name of Partner or Officer

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Midwest Stock Exchange

Form A

BUDGET BUREAU  
APPROVAL NO. 71-6211

REPORT OF ALL TRANSACTIONS IN DUALLY TRADED STOCKS IN WHICH YOU ARE REGISTERED AS ODD-LOT DEALER-SPECIALIST

Daily Totals for January 23-27, March 20-24, June 12-16, 1961

Name of Odd-Lot Dealer-Specialist Unit \_\_\_\_\_

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

Column I TOTAL TRANSACTIONS ON THE EXCHANGE				Column II TOTAL TRANSACTIONS ON NYSE				Column III TOTAL TRANSACTIONS ON ALL OTHER EXCHANGES				Column IV TOTAL TRANSACTIONS OVER THE COUNTER				Column V	
Trade Date	Stock Symbol	Total No. of Shs. Bought Each Day	Total No. of Shs. Sold Each Day	Trade Date	Stock Symbol	Total No. of Shs. Bought Each Day	Total No. of Shs. Sold Each Day	Exchange	Trade Date	Stock Symbol	Total No. of Shs. Bought Each Day	Total No. of Shs. Sold Each Day	Trade Date	Stock Symbol	Total No. of Shs. Bought Each Day	Total No. of Shs. Sold Each Day	Daily Position

Certified complete, true and correct

DS-4333

BY: \_\_\_\_\_  
(NAME OF MEMBER OF ODD-LOT DEALER-SPECIALIST UNIT)

SHEET NO. \_\_\_\_\_

REPORT OF SPECIAL STUDY OF SECURITIES MARKETS 1147