

by the person filing this Schedule E, or by any person on his behalf, to make solicitations or recommendations to security holders and describe briefly the terms of such employment, retainer or arrangement for compensation.

Item 4. Material To Be Filed as Exhibits.

Copies of all solicitations or recommendations to accept or to reject a tender offer or request or invitation for tenders of the securities specified in Item 1 shall be filed as an exhibit.

Signature

I certify that to the best of my knowledge and belief the information set forth in this statement is true, complete and correct.

(Date)

(Signature)

If the statement is signed on behalf of a person by an authorized representative, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement.

[33 F.R. 11589, Aug. 15, 1968]

PART 12—OWNERSHIP REPORTS BY CERTAIN PERSONS

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- 12.11 Arbitrage transactions under section 16 of the Securities Exchange Act.

AUTHORITY: The provisions of this Part 12 issued under R.S. 324 et seq., as amended, sec. 16, 48 Stat. 896, as amended; 12 U.S.C. 1 et seq., 16 U.S.C. 78p.

SOURCE: The provisions of this Part 12 appear at 31 F.R. 6952, May 12, 1966, unless otherwise noted.

§ 12.1 Scope and application.

(a) Every principal stockholder, director, or principal officer of a national bank having a class of equity securities held of record by 750 or more persons (after May 1, 1967, 500 or more persons), within 10 days after becoming such principal stockholder, director, or principal officer, shall file with the Comptroller of the Currency a statement of the amount of each class of the bank's securities of which he is directly or indirectly the beneficial owner.

(b) Initial statements by present principal stockholders, directors and principal officers shall be filed on or before October 1, 1964 for banks with 750 or more shareholders of record and on or before July 1, 1967 for banks with 500 or more shareholders of record.

(c) Each person specified in paragraph (a) of this section, within ten days after the close of any calendar month in which there has been a substantial change in his ownership, shall file with the Comptroller a statement indicating his ownership as of the close of the calendar month and any changes in his ownership as have occurred since the last such report.

(d) The Comptroller may, either conditionally or unconditionally, exempt transactions from the provisions of this section when necessary or appropriate in the public interest.

§ 12.2 Definitions.

(a) The term "principal officer" means Chairman of the Board, President, Chairman of the Executive Committee, Vice Chairman of the Board, Senior Vice President, Cashier, and any other person who performs functions corresponding to those performed by the foregoing officers.

(b) The term "principal stockholder" means any person who is directly or indirectly the beneficial owner of more than 10 percent of the outstanding amount of any class of equity securities issued by the bank.

(c) The term "substantial change" means the acquisition or disposition of 500 shares, or more than 5 percent of the outstanding equity securities of the bank whichever is less. If any transaction, when added to previously unreported transactions, could qualify as a "substantial change" as defined herein, all such transactions shall be con-

sidered a "substantial change" and be reported.

(d) The term "person" is not limited to natural persons, but also includes corporations, partnerships, pension funds, profit-sharing funds, and any other organized group of persons of whatever nature.

(e) The terms "beneficial ownership," "beneficially owned," and the like, when used with respect to the reporting of ownership of the bank's equity securities in any statement or report required by Parts 10 through 18 of this chapter, shall include, in addition to direct and indirect beneficial ownership by the reporting person, ownership of such securities (1) by the spouse (except where legally separated) and minor children of such reporting person, and (2) by any other relative of the reporting person who has the same home as such person.

[31 F.R. 6952, May 12, 1966, as amended at 32 F.R. 17469, Dec. 6, 1967]

§ 12.3 Filing of statements.

Initial statements of beneficial ownership required by § 12.1 shall be filed on Form OR-1. Statements of changes in such beneficial ownership required by that section shall be filed on Form OR-2. All such statements shall be prepared and filed in accordance with the instructions of the applicable form. All filed statements shall be available for public inspection at their place of filing during normal business hours.

§ 12.3a Filing by persons becoming principal stockholders after July 29, 1968.

Any person who, after acquiring subsequent to July 29, 1968, directly or indirectly the beneficial ownership of any equity security of a bank of a class which is registered, or required to be registered pursuant to section 12 of the Securities Exchange Act of 1934, as amended, (the Act) is directly or indirectly the beneficial owner of more than 10 per centum of such class shall, within 10 days after such acquisition, send to the bank at its principle executive office, by registered or certified mail, send to each exchange where the security is traded, and file with the Comptroller a statement containing the information required by Schedule D of Part 11 of the regulations of the Comptroller of the Currency.

[33 F.R. 11589, Aug. 15, 1968]

§ 12.3b Filing of amendments.

If any material change occurs in the facts set forth in the statement required by § 12.3a, the person who filed such statement shall promptly file with the Comptroller and send to the bank and the exchange an amendment disclosing such change.

[33 F.R. 11589, Aug. 15, 1968]

§ 12.4 Exemption of certain transactions.

(a) Any acquisition or disposition of options or shares of stock including stock acquired pursuant to such options, by a director or officer of the bank issuing such stock shall be exempt from the requirements of § 12.1 if the stock or option was acquired pursuant to a bonus, profit-sharing, retirement, thrift, savings or similar plan which has been approved by the holders of at least a majority of the outstanding common stock of the issuer, or employee stock option or stock purchase plan which has been approved by the holders of at least two-thirds of the outstanding common stock of the issuer and the Comptroller of the Currency.

(b) Any transaction which has been or shall be exempted by the Comptroller of the Currency from the requirements of § 12.1, shall, insofar as it is otherwise subject to the provisions of section 16(b) of the Securities Exchange Act of 1934, as amended, be likewise exempt from sections 16 (b) and (c) of said Act.

§ 12.5 Persons temporarily exempt from filing statements.

The following persons shall be exempt, for a period of 12 months following their appointment and qualification, from filing the ownership statements required by § 12.1:

- (a) Executors or administrators of the estate of a decedent;
- (b) Guardians or committees for an incompetent;
- (c) Receivers, trustees in bankruptcy, conservators, liquidating agents, assignees for the benefit of creditors; and
- (d) Other similar persons.

§ 12.6 Exemption from section 16(b) of the Securities Exchange Act of certain transactions by registered investment companies.

Any transaction of purchase and sale, or sale and purchase, of any equity secu-

ity of a bank shall be exempt from the operation of section 16(b), as not comprehended within the purpose of that section, if the transaction is effected by an investment company registered under the Investment Company Act of 1940 and both the purchase and sale of such security have been exempted from the provisions of section 17(a) of the Investment Company Act of 1940 by an order of the Securities and Exchange Commission entered pursuant to section 17(b) of that act.

§ 12.7 Exemption from section 16(b) of the Securities Exchange Act of certain transactions effected in connection with a distribution.

(a) Any transaction of purchase and sale, or sale and purchase, of an equity security of a bank that is effected in connection with the distribution of a substantial block of such securities shall be exempt from the provisions of section 16(b) to the extent specified in this section, as not comprehended within the purpose of section 16(b), upon the following conditions:

(1) The person effecting the transaction is engaged in the business of distributing securities and is participating in good faith, in the ordinary course of such business, in the distribution of such block of securities;

(2) The security involved in the transactions is (i) a part of such block of securities and is acquired by the person effecting the transaction, with a view to the distribution thereof, from the bank or other person on whose behalf such securities are being distributed or from a person who is participating in good faith in the distribution of such block of securities, or (ii) a security purchased in good faith by or for the account of the person effecting the transaction for the purpose of stabilizing the market price of securities of the class being distributed or to cover an over-allotment or other short position created in connection with such distribution; and

(3) Other persons not within the purview of section 16(b) are participating in the distribution of such block of securities on terms at least as favorable as those on which such person is participating and to an extent at least equal to the aggregate participation of all persons exempted from the provisions of section 16(b) by this section. However,

the performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not preclude an exemption that would otherwise be available under this paragraph.

(b) The exemption of a transaction pursuant to this section with respect to the participation therein of one party thereto shall not render such transaction exempt with respect to participation of any other party therein unless such other party also meets the conditions of this section.

§ 12.8 Exemption of certain securities from section 16(c) of the Securities Exchange Act.

Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section the execution by a broker of an order for an account in which he had no direct or indirect interest.

§ 12.9 Exemption from section 16(c) of the Securities Exchange Act of certain transactions effected in connection with a distribution.

Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section any sale made by or on behalf of a dealer in connection with a distribution of a substantial block of the bank's securities, upon the following conditions:

(a) The sale is made with respect to an over-allotment in which the dealer is participating as a member of an underwriting group, or the dealer or a person acting on his behalf intends in good faith to offset such sale with a security to be acquired by or on behalf of the dealer as a participant in an underwriting, selling, or soliciting-dealer group of which the dealer is a member at the time of the sale, whether or not the security to be so acquired is subject to a prior offering to existing security holders or some other class of persons; and

(b) Other persons not within the purview of section 16(c) are participating in the distribution of such block of securities on terms at least as favorable as those on which such dealer is participating and to an extent at least equal to the aggregate participating of all persons

exempted from the provisions of section 16(c) by this section. The performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not, however, preclude an exemption that would otherwise be available under this section.

§ 12.10 Exemption from section 16(c) of the Securities Exchange Act of sales of securities to be acquired.

(a) Whenever any person is entitled, as an incident to his ownership of an issued equity security of a bank and without the payment of consideration, to receive another security of the bank "when issued" or, "when distributed," the security to be acquired shall be exempt from the operation of section 16(c) if

(1) The sale is made subject to the same conditions as those attaching to the right of acquisition;

(2) Such person exercises reasonable diligence to deliver such security to the purchaser promptly after his right of acquisition matures; and

(3) Such person reports the sale on the appropriate form for reporting transactions by persons subject to section 16(a).

(b) This section shall not be construed as exempting transactions involving both a sale of a security "when issued" or "when distributed" and a sale of the security by virtue of which the seller expects to receive the "when-issued" or "when-distributed" security, if the two transactions combined result in a sale of more units than the aggregate of those owned by the seller plus those to be received by him pursuant to his right of acquisition.

§ 12.11 Arbitrage transactions under section 16 of the Securities Exchange Act.

It shall be unlawful for any director or principal officer of a bank to effect any foreign or domestic arbitrage transaction in any equity security of the bank unless he shall include such transaction in the statements required by section 16(a) of the Securities Exchange Act and § 12.1 and shall account to such bank for the profits arising from such transaction, as provided in section 16(b). The provisions of section 16(c) shall not

apply to such arbitrage transactions. The provisions of § 12.1 and of section 16 shall not apply to any bona fide foreign or domestic arbitrage transaction insofar as it is effected by any person other than such director or principal officer of the bank issuing such security.

PART 13—EMPLOYEE STOCK OPTION AND STOCK PURCHASE PLANS

Sec.

13.1 Scope and application.

13.2 Source of shares.

13.3 Terms and procedures.

AUTHORITY: The provisions of this Part 13 issued under R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq.

SOURCE: The provisions of this Part 13 appear at 31 F.R. 6953, May 12, 1966, unless otherwise noted.

§ 13.1 Scope and application.

Any national bank may grant options to purchase, sell, or enter into agreements to sell, shares of its capital stock to its employees, whether or not such transactions qualify for special tax treatment under the Internal Revenue Code of 1954, as amended, and regulations promulgated thereunder, provided that the following conditions are met:

(a) Application for approval shall be made to the Comptroller of the Currency, Washington, D.C. 20220, in the form of a letter accompanied by the following information:

(1) Description of all material provisions of the plan.

(2) Proposed notice of shareholders' meeting, proxy and proxy statement.

(3) Number of shares of authorized but unissued stock to be allocated to the plan.

(4) Proposed amendments to articles of association creating authorized but unissued stock and eliminating preemptive rights as to the shares reserved under the plan;

(b) The plan is administered by a committee, none of whose members may participate in the plan;

(c) The number of shares allocable to any person under the plan is reasonable in relation to the purpose of the plan and the needs of the bank; and

(d) In the case of a stock option plan, the number of shares subject to the plan