

## Appendix VI-2

### Recommended Rearrangement of General Rules and Regulations under '33 Act

It would be appropriate, in the Study's judgment, to group together in a separate article the recommended new rules relating to underwriters and non-public offerings under Sections 2(11) and 4(2) of the '33 Act. This is particularly true in light of the recommended preliminary note which precedes and explains such rules.

Accordingly, the Study suggests that a new Article 5 be substituted for the present Article 5 of the General Rules and Regulations, entitled "Rules relating to underwriters and non-public offerings under Sections 2(11) and 4(2) of the Act." Both the new rules proposed by the Study, and related existing rules, would be located in this Article 5. (Rule 161, the single rule now located under Article 5, would be renumbered 101 and located in Article 1 of the General Rules and Regulations.)

Certain minor additional rule changes necessitated by the foregoing recommendation are indicated in the summary below:

#### Article 1.

Change title to "Definition of Terms Used in, and Applicability of, Rules and Regulations."

#### Article 2.

No change.

#### Article 3.

No change.

Article 4.

Change title to “Definitions of Terms Used in the Act Elsewhere than in Sections 2(11) and 4(2).”

(Rules under this Article would be the following):

Rule 130	No change.
Rule 131	No change.
Rule 133	Revision recommended. (See Chapter VII)
Rule 134	No change.
Rule 135	Revision recommended. (See Chapter V and VII)
Rule 136	No change.
Rule 137 ) Rule 138 ) Rule 139 )	New; relate to “gun jumping.” (See Chapter V)
Rule 149	No change.
Rule 150	No change.
Rule 151	To be deleted. <sup>1/</sup>
Rule 152	Rule 152A, renumbered.
Rule 153	No change.
Rule 153A	New; definition of “preceded by a prospectus” for certain business combinations. (See Chapter VII)
Rule 154	Revision recommended (See Chapter VI)

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<sup>1/</sup> The staff has recommended (and the Commission has approved) deletion of this rule, since the types of transactions referred to therein are no longer permitted.

[Rule 155]	[Rescission recommended. See Chapter VI]
Rule 157	New; definition of underwriter's duty of investigation when proposed Form S-17 is used. (See Chapter III)

Article 5.

Change title to "Rules Relating to Underwriters and Non-Public Offerings Under Sections 2(11) and 4(2) of the Act."

(The new rules under this Article are proposed in Chapter VI):

Preliminary Note	New; explanation of basic concepts.
Rule 160	New; definition of "directly or indirectly controlling an issuer" in Section 2(11), with examples.
Rule 161	New; definition of "restricted security."
Rule 162	New; definition of "distribution" in Section 2(11).
Rule 163	New; certain persons deemed to be "underwriters" under Section 2(11).
Rule 164	New; "qualified list."
Rule 165	Present Rule 140.
Rule 166	Present Rule 141.
Rule 167	Present Rule 142. <sup>2/</sup>

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<sup>2/</sup> Clause 4 of this rule should be appropriately revised if new Rule 162 is adopted.

Rule 168	Present Rule 143. <sup>3/</sup>
Rule 169	New; definition of certain terms used in Section 2(11) in relation to business combinations.
Rule 180	New; effect of transactions not constituting “distributions” under Rule 162 on applicability of the exemption contained in Section 4(2) of the Act.
Rule 181	New; definition of “not involving any public offering” in Section 4(2) of the Act in connection with acquisitions of bona fide going businesses.
Rule 182	Present Rule 152.
Rule 183	Present Rule 156.

Article 6.

Remember the rules in this Article, starting with Rule 190.

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<sup>3/</sup> This rule may be obsolete; if so, it could be rescinded.