

*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, 1962<sup>1</sup>—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
8(a)	Individuals' purchases from <i>sponsors</i> as principal	8	4	50.0	3	37.5	1	12.5
(b)	Individuals' purchases from <i>other broker-dealers</i> as principal							
9(a)	Individuals' sales to <i>sponsors</i> as principal	4	2	50.0	2	50.0	-----	-----
(b)	Individuals' sales to <i>market makers</i> as principal							
10(a)	Individuals' sales to <i>sponsors</i> as principal	5	2	40.0	3	60.0	-----	-----
(b)	Individuals' sales to <i>other broker-dealers</i> as principal							
11(a)	Individuals' purchases through <i>sponsors</i> as agent	2	1	50.0	1	50.0	-----	-----
(b)	Individuals' purchases through <i>market makers</i> as agent							
12(a)	Individuals' purchases through <i>sponsors</i> as agent	4	1	25.0	3	75.0	-----	-----
(b)	Individuals' purchases through <i>other broker-dealers</i> as agent							
13(a)	Individuals' sales through <i>sponsors</i> as agent	8	3	37.5	3	37.5	2	25.0
(b)	Individuals' sales through <i>market makers</i> as agent							
14(a)	Individuals' sales through <i>sponsors</i> as agent	11	6	54.5	5	45.5	-----	-----
(b)	Individuals' sales through <i>other broker-dealers</i> as agent							
15(a)	Individuals' purchases from <i>sponsors</i> as principal and as agent, combined	7	4	57.1	3	42.9	-----	-----
(b)	Individuals' purchases from <i>market makers</i> as principal and as agent, combined							
16(a)	Individuals' purchases from <i>sponsors</i> as principal and as agent, combined	17	5	29.4	12	70.6	-----	-----
(b)	Individuals' purchases from <i>other broker-dealers</i> as principal and as agent, combined							
17(a)	Individuals' sales to <i>sponsors</i> as principal and as agent, combined	-----	-----	-----	-----	-----	-----	-----
(b)	Individuals' sales to <i>market makers</i> as principal and as agent, combined							
18(a)	Individuals' sales to <i>sponsors</i> as principal and as agent, combined	-----	-----	-----	-----	-----	-----	-----
(b)	Individuals' sales to <i>other broker-dealers</i> as principal and as agent, combined							

<sup>1</sup> Includes all stocks in the sample of 200 stocks in which sponsors traded for their own account or for others 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. "Other broker-dealers" refers to all broker-dealers who are not sponsors or market makers in the stock.

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### Summary Form 2

#### OVER-THE-COUNTER PURCHASES AND SALES OF SPONSORS, MARKET MAKERS AND OTHERS

Name of Stock: \_\_\_\_\_ Code No. \_\_\_\_\_

January 18, 1962

Jan. 18-Feb. 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. \_\_\_\_\_

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

Source: IBM Tables 3 and 10.

APPENDIX VII-H

SPONSORS DURING THE MARKET BREAK OF MAY 1962

Questionnaire OTC-5 was designed to measure, among other things, the performance of sponsors during the period of the sharp market break in May 1962. Forty of the 200 securities originally chosen for analysis in OTC-3 were chosen for follow up. Twenty-two broker-dealers had previously stated that they were sponsors in 18 of these securities.

In the majority of cases, the sponsors' participation as buyers on balance in the market was minimal on May 28 and 29; in certain instances it was almost nonexistent, but in a few cases it was considerable on the latter day. The frequency distribution below summarizes the net purchases or sales effected by the 22 sponsors on May 28, 29, and 31, 1962.

Share balances	Number of sponsors		
	May 28	May 29	May 31
Sale balance:			
Over 1,000.....	1		2
901 to 1,000.....			2
801 to 900.....	1		
701 to 800.....			
601 to 700.....			
501 to 600.....	1		
401 to 500.....	2	2	1
301 to 400.....			2
201 to 300.....	1	1	2
101 to 200.....		1	2
1 to 100.....	2	2	4
Zero balance <sup>1</sup> .....	6	4	6
Purchase balance:			
1 to 100.....	4	3	1
101 to 200.....	1	3	
201 to 300.....		2	
301 to 400.....	1	2	
401 to 500.....	2		
501 to 600.....		1	
601 to 700.....			
701 to 800.....			
801 to 900.....			
901 to 1,000.....			
Over 1,000.....		1	
Total.....	22	22	22

<sup>1</sup> No trading as principal: 6 sponsors on May 28; 3 on May 29; and 6 on May 31.

In order to gauge the relative importance of these share balances, the following summary provides more detailed information on the activity of sponsors on the 3 days.

	May 28	May 29	May 31
Number of sponsors who sold on balance over 10 percent of their total daily transactions.....	6	3	12
Number of sponsors who bought on balance over 10 percent of their total daily transactions.....	6	10	
Number of sponsors with no trading, with total trading less than 100 shares, or with less than a 10-percent change.....	10	9	10
Total purchases on balance by sponsors (shares).....		2,707	
Total sales on balance by sponsors (shares).....	2,312		6,774
Total sales by sponsors to other dealers and public for firm account (shares).....	10,297	12,823	10,881
Total purchases by sponsors from other dealers and public for firm account (shares).....	7,985	15,530	4,107
Total purchases by public from sponsors as principal (shares).....	4,051	4,940	3,341
Total sales by public to sponsors as principal (shares).....	553	2,337	575

The basic data from which the two summaries above were made are shown below. Also shown for comparative purposes is the activity of the same sponsors from January 18 through 26, 1962, and for 6 additional days surrounding the market break period.

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Over-the-counter transactions by 22 sponsors in selected stocks, Jan. 18-26, 1962, and May 21-June 1, 1962

AMERICAN INSURANCE CO. (NEWARK)

Date	Total shares purchased as principal from—		Total shares sold as agent for public	Total shares sold as principal to—		Total shares purchased as agent for public
	Broker-dealer	Public		Broker-dealer	Public	
Jan. 18	400	38			200	
19	22				200	
22	510	3,500			3,775	
23					240	
24	250				250	
25						
26					260	
May 21	20			100	145	
22						
23						
24		220		30		
25				100		
28				20		
29		100				
31						100
June 1			60			

ANHEUSER-BUSCH, INC. (SPONSOR NO. 1)

Jan. 18	300			675		
19	200			350		
22	50					
23	200			122		
24	100			200		
25	100					
26						
May 21				165		
22	50			700	435	
23	220		100	383		
24	200			65		
25	200			230		
28	500			1,038		
29	1,300	10		1,120	25	
31	310		300	430	10	
June 1	300			726		

ANHEUSER-BUSCH, INC. (SPONSOR NO. 2)

Jan. 18	200			200		
19	250			100		
22	51					
23	545			315		
24	135			200		
25	150			60		
26	80			220		
May 21	3			100		11
22	686			400	10	
23	1			100		
24	105			100		
25	520			647		
28	541			105		
29	108			100		100
31	50			275	6	
June 1	125			312	50	

AQUA-CHEM, INC.

Jan. 18	135	50		350	170	
19	215	95			102	
22	570			12	477	
23	250	10		100	145	
24				40	113	
25	175	25		10	100	
26						

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Over-the-counter transactions by 22 sponsors in selected stocks, Jan. 18-26, 1962, and May 21-June 1, 1962—Continued

AQUA-CHEM, INC.—Continued

Date	Total shares purchased as principal from—		Total shares sold as agent for public	Total shares sold as principal to—		Total shares purchased as agent for public
	Broker-dealer	Public		Broker-dealer	Public	
May 21	300				400	
22	1,700			565	650	200
23	200			50	600	
24	1,150			300	375	
25	100	2,500		243	50	
28	500			185	280	20
29	100	310			195	
31	275			795	458	
June 1		300	435		147	

AZTEC OIL & GAS CO.

Jan. 18	487			200		
19						
22	2,766				2,700	
23	242			100	300	
24	181			240	100	
25	368				400	
26				15		
May 21				100		
22	808			100	100	
23	200				350	
24						
25				200		
28	100			200		
29	1,532			300	890	
31				1,440		
June 1	100					

CARLON PRODUCTS CORP.

Jan. 18						
19						
22	155					
23						
24						
25	150					
26				50		
May 21						
22						
23						
24						
25	100					500
28				500		
29	300					
31						
June 1				400		

COASTAL STATES GAS PRODUCING CO.

Jan. 18	400	150		200	500	
19	300			100		
22		75		200		
23						
24		100				
25	100					
26						
May 21				10		
22	100			100		
23	1,400			1,150		
24	1,124			579		
25			253	580		
28	100			360		
29	1,450			805	500	
31	300	200		385	500	
June 1	1,100		200	120	560	400

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Over-the-counter transactions by 22 sponsors in selected stocks, Jan. 18-26, 1962, and May 21-June 1, 1962—Continued

CONTINENTAL ENTERPRISES, INC.

Date	Total shares purchased as principal from—		Total shares sold as agent for public	Total shares sold as principal to—		Total shares purchased as agent for public
	Broker-dealer	Public		Broker-dealer	Public	
Jan. 18	800			300		
19	500			200		
22				500		
23						
24				200		
25						
26						
May 21						
22						
23				200		
24						
25						
28						
29	300			500		
31						
June 1						

CREATIVE PLAYTHINGS, INC. (SPONSOR NO. 1)

Jan. 18		100			100	
19	50			20	15	
22		100		400		
23	50	200		200		
24	25			66		
25					50	
26	50					
May 21						
22						
23						
24	50					
25	50					
28	80					
29	500			200		
31				20		
June 1				50		

CREATIVE PLAYTHINGS, INC. (SPONSOR NO. 2)

Jan. 18	65					
19	30					
22	200		200			200
23						
24						
25	25					
26						
May 21			150			150
22						
23						
24						
25	20					
28						
29	400					100
31						
June 1				200		

CUMMINS ENGINE CO., INC. (SPONSOR NO. 1)

Jan. 18				10	115	
19	435			100	105	
22	55	166		57	117	
23	148			300	4	
24	21			100	1	
25		291		25	79	
26	410			1	52	

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Over-the-counter transactions by 22 sponsors in selected stocks, Jan. 18-26, 1962, and May 21-June 1, 1962—Continued

CUMMINS ENGINE CO., INC. (SPONSOR NO. 1)—Continued

Date	Total shares purchased as principal from—		Total shares sold as agent for public	Total shares sold as principal to—		Total shares purchased as agent for public
	Broker-dealer	Public		Broker-dealer	Public	
May 21		100		20	200	
22	154				19	
23	150					
24	165					
25	919			3	1,020	
28	520	167			1,546	
29	547			311	100	
31	211	65		125	124	
June 1	325			150	100	

CUMMINS ENGINE CO. (SPONSOR NO. 2)

Jan. 18						
19			35			
22						
23						
24						
25						
26						
May 21						
22						
23	100					
24						
25						
28						
29		37	100	37		
31				200		
June 1	50	126		68		1,100

FOX-STANLEY PHOTO PRODUCTS, INC.

Jan. 18	500				230	
19	500	100				
22	120	300			50	
23	550	25				
24	35	1,100		200		
25	150	500		200		
26	230	30		1,100		
May 21	300					
22	1,500	100				
23	70	150				
24	100					
25	1,459	1,100				
28	300	100				
29	500	1,100		1,800	250	
31	600	250		550	700	
June 1	250	200		700		

INTERSTATE FIRE & CASUALTY CO.

Jan. 18		5		50		
19						
22		121		65	200	
23	1,070	200			1,200	
24	30				300	
25		800	300		800	300
26						
May 21						
22						
23				100	14	
24						
25						
28	100					100
29	10			25		
31			50			
June 1						

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Over-the-counter transactions by 22 sponsors in selected stocks, Jan. 18-26, 1962, and May 21-June 1, 1962—Continued

KOEHRING CO.

Date	Total shares purchased as principal from—		Total shares sold as agent for public	Total shares sold as principal to—		Total shares purchased as agent for public
	Broker-dealer	Public		Broker-dealer	Public	
Jan. 18.....	150					
19.....						
22.....		100		205		
23.....	100			100		
24.....	42					
25.....				100	20	
26.....	100			285		
May 21.....		30				
22.....	200					
23.....	100			350		
24.....		90				
25.....	100					
28.....						950
29.....						1,200
31.....				100		
June 1.....	225	306			200	200

MADISON GAS & ELECTRIC CO.

Jan. 18.....				200		
19.....						
22.....					100	
23.....						
24.....	30					
25.....						
26.....					7	
May 21.....				28		
22.....			1,000			1,000
23.....						
24.....	150			95		
25.....		12		100		
28.....	100		200	50		200
29.....			84			
31.....				25		
June 1.....					15	

NATIONAL PROPANE CORP. 5 PERCENT 2D PREFERRED A

Jan. 18.....						
19.....						
22.....						
23.....						
24.....	15					
25.....						
26.....						
May 21.....						
22.....	20					
23.....						
24.....						
25.....						
28.....						
29.....						
31.....						
June 1.....						

PACIFIC INTERMOUNTAIN EXPRESS CO.

Jan. 18.....			200	350		
19.....			343	1,200	2	
22.....			400	10		
23.....	140		100	500		
24.....	13		250	30		
25.....						
26.....	10			500		



**REPORT OF SPECIAL STUDY OF SECURITIES MARKETS 795**

*Over-the-counter transactions by 22 sponsors in selected stocks, Jan. 18-26, 1962,  
and May 21-June 1, 1962—Continued*

**PACIFIC INTERMOUNTAIN EXPRESS CO.—Continued**

Date	Total shares purchased as principal from—		Total shares sold as agent for public	Total shares sold as principal to—		Total shares purchased as agent for public
	Broker-dealer	Public		Broker-dealer	Public	
May 21	50	110		51	5	100
22	225	100	140		200	
23	400		100	100		
24	500		20			
25	335		50		140	
28	625			40	90	75
29	2,660	450		1,460	1,080	200
31	1,370			700	970	100
June 1	400			1,200	125	10

**PETROLANE GAS SERVICE, INC. (SPONSOR NO. 1)**

Jan. 18	40	19	4	249	30	
19				700		25
22	35			445	25	40
23	50	447		340		
24	1,565	125		695	51	
25	381	190	1	10	1,018	
26	158		30		91	100
May 21				860		
22	100	50				
23		100			20	
24	350	30		300		
25	190		100			10
28	175	286	653	1,738		
29	925	30	38	1,025		
31	416		200	915		
June 1					10	

**PETROLANE GAS SERVICE, INC. (SPONSOR NO. 2)**

Jan. 18	29					
19				25		
22				530		
23	600			100	150	
24	600	125		300	100	
25				100	45	
26				150	60	
May 21	100			1,020	1,200	
22	300			500		
23		927				
24	625					
25	1,059	209		1,000	500	
28	3,616			2,000	2,100	
29	918			700	700	
31				1,020		
June 1	400	100				

**POCKET BOOKS, INC.**

Jan. 18	10					
19			100	100		100
22		200	245	100		50
23						
24	87		250			100
25						
26			25			
May 21			500			200
22	125	100	300	300		150
23	100		140	100		60
24			25	200		
25			100	50		100
28			225			
29	100		450			300
31				100		
June 1		500	500	125	100	

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Over-the-counter transactions by 22 sponsors in selected stocks, Jan. 18-26, 1962, and May 21-June 1, 1962—Continued

SOUTHERN NEW ENGLAND TELEPHONE CO.

Date	Total shares purchased as principal from—		Total shares sold as agent for public	Total shares sold as principal to—		Total shares purchased as agent for public
	Broker-dealer	Public		Broker-dealer	Public	
Jan. 18.....		10		650		
19.....		1				
22.....	7	834		2		
23.....		119		115		
24.....		9			2	
25.....				150		
26.....	3					
May 21.....		5			6	
22.....	100	12		100		
23.....	222			66		
24.....	187			9	50	
25.....	442	16		200	4	
28.....	175			10	35	
29.....	1,543	300			700	
31.....		60		460	573	
June 1.....						