```
Specialists—Continued
    Participation of, level of—Continued
         twice-total-volume test (TTV) 2:90
         units, wide variations among 2: 91, 92
         unnecessary trading, prohibiting 2:90
    Participation rate versus market volume
         chart and table showing 2: 444, 445 table and chart showing 2: 458, 459
    Participation rate versus price change
         charts and tables showing 2: 454-457
    Participation: Special Study summary as to 2: 162-164;
                  5: 82–84
         adequacy of participation 2: 162, 163; 5: 82, 83
         different operational concepts 2: 162-164; 5: 82-84
         exchange rules as to, need of 2: 163; 5: 83
    Pegging prices, obligation regarding 2: 126
    Positions and changes of positions for selected stocks, selected
         tables showing 2: 386–388
    Positions, selected stocks and dates (tables) 2: 386-389
    Potentially profitable transactions, 25 stocks (table) 2:84
    Price change versus purchase participation
         tables showing, selected 1961 dates 2: 456, 457
    Price change versus sales participation rate
         tables showing for selected 1961 dates 2: 454, 455
    Price change versus specialist balance for day
         computer analysis of, table and chart showing 2: 452, 453
    Price change versus specialist balance, selected dates
         tables showing 2: 452, 453
    Price change versus tick test score, 3 days in 1961 2:381
    Price changes in transactions of
         table showing 2: 378
    Price changes of ½ point and over, percent (table) 2:378
    Price continuity with depth
         definition of 2: 124
         example of continuity without depth 2: 124-126
        focus on by NYSE 2: 126
         pegging price, specialist's obligation 2: 126
    Prices
         activities influencing, recommended reports on 2:171;5:191
        fluctuations destroying collateral value, preventing 2: 126
        market opening, specialists' power 2: 136-142
        new levels, tests of effect of trading on 2: 126
         NYSE suggestion as to fair price or adjustment 2: 140
    Profit per share on bulk transactions (tables) 2: 130, 131
    Profit per share where purchases equaled sales (table) 2: 378
    Public accounts: see Orders accepted, above
    Public customers of
        transactions in stocks in which registered 4:551
    Purchases and sales, by selected 1961 days (table) 2:379
    Purchases of 2,000 shares and over for selected 1961 weeks
    tables showing 2: 389
Questionnaire EX-1, letter of transmittal and text 2: 466-494
    Quotations, widespread 2:86
```

```
Specialists—Continued
    Regional exchanges, trading on
    round-lot transactions, as dealer 2: 932, 933
Registration fees paid by 2: 69
    Registration of under NYSE Rule 103 4: 547, 548
        eligibility for registration 4:548
    Regulatory pattern
        See also Self-regulation in the securities business
         allocation of securities 4: 548-550
         critics of specialist system 2: 64-67
        disclosure requirement 2: 65
         Exchange Act Section 11 provisions 2: 65, 66
        manipulation, focus on 2: 65
        Saperstein Interpretation 2: 65, 66
        SEC 1935 rules and recommendations
                                                2: 65, 66
         SEC 1937 "Saperstein interpretation"
                                               2: 66, 67
         "trading with the book," NYSE rules 2: 64, 65
    Reports required of
         weekly report to Floor Department 4: 551
    Round-lot balances on NYSE, 1961-62 (chart) 4:838
    Round-lot purchases, NYSE, selected weeks ending January 23,
      1961
         transactions by hour 2: 390
    Round-lot transactions, volume of
                                       2: 51
         percentage of total volume, 1937-61
                                              2: 379
    Round-lot volume, trading as percent of (tables)
                                                     2: 390–392
    Saperstein Interpretation, regulatory position in 2: 66, 67
         "cleaning up the market" under 2: 93
         dealer compliance with, surveillance of 2:82
         exchanges' implementation of 2: 81, 82
         justification of each trade under 2:86
         liquidation right of dealer under 2: 121, 122
        long-term investment account segregation 2: 134
        participation, recommended rule about 2: 168; 5: 88
        purchasing in depth under 2: 127
         SEC Integration Report proposals and 2: 81
        SEC rule on, needed 2: 163; 5: 83
Special Study summary as to 2: 163, 164; 5: 84, 85
        specialist regulatory pattern under 2:65,66
        standards of performance 2:81
         types of detrimental transactions 2:81
         unnecessary trading, prohibiting 2:90
    Scarcity of 2:62
    Seats on NYSE held by 4:518
    SEC Staff Report comment on 2:59
    Securities handled, range of 2:58
    Segregation of broker-dealer functions
         SEC Report recommendations 2: 65, 66
    Share volume handled
         concentration in most active stocks 2:63
         decrease in total per issue 2:63
         unit, annual volume per (tables) 2: 68, 368, 370, 371
```

```
Specialists—Continued
    Share volume of completed transactions 2:85
    Short selling by: See Short selling
    Single trading account, recommended requirement of 2: 169;
                   5:89
    Special Study conclusions and recommendations 2: 167-171;
                  5: 87–91
         basic dealer responsibilities, definition of 2: 167; 5: 87
         block transactions, AMEX and NYSE study of 2: 170;
                   5: 90
         block transactions, capital fund for 2:170; 5:90
         block transactions, self-insurance of specialists 2: 170;
         brokerage functions, rules governing 2: 169, 170; 5: 89, 90
         capital requirements of NYSE, increase in 2: 168; 5: 88
         capital rule, report of violation to SEC 2: 170; 5: 90
         changes, need of specific ones 2: 167-171; 5: 87-91
         conflicting interests, practices involving 2: 169, 170;
                   5: 89, 90
         continuity with depth, rules emphasizing obligation
                   2: 169; 5: 89
         dealing with the book, exchange review of 2: 169; 5: 89
         drastic change, absence of need for 2: 167; 5: 87
         exemption from rules under Exchange Act Section 11
                   2: 167, 168; 5: 87, 88
         fair and orderly market maintenance, surveillance of
                   2: 171; 5: 91
         income of, report to SEC as participation check 2: 171;
                   5: 91
         limited price orders, defining and limiting 2: 169; 5: 89
         margin calls, reporting by exchanges market orders, limiting and defining 2: 169; 5: 89
         "not-held" orders, continuing ban on 2: 169; 5: 89
         openings, AMEX and NYSE adoption of rules as to
                   2: 168, 169; 5: 89
         participation, restricting 2: 168; 5: 88
         participation, rule affirming obligation of 2: 168; 5: 88
         price movements, tests for activities influencing 2: 171;
                   5: 91
         public customers, against servicing accounts of 2: 170; 5:90
         regional exchanges, separate consideration of 2: 242;
                   5: 97, 98
         reports of purchases and sales as principal 2: 170; 5: 90
         segregation of accounts, rule as to 2: 169; 5: 89 single trading account, requiring 2: 169; 5: 89
         specialist's book, preserving for period 2: 171; 5: 91
         "stops," prohibiting 2: 169; 5: 89
         surveillance techniques, inadequacy of 2: 170, 171; 5: 91
         tape recording of all floor transactions 2: 169; 5: 89
         "tick" test, evaluation of 2: 170; 5: 90
         unit violation of exchange rule, report to SEC on 2:170;
                   5: 90
```

```
Specialists—Continued
    special Study of, scope and methods of 2:59, 60
        NYSE files on rules and policies, use of 2:60
        NYSE specialists, concentration on 2:59
        problems concerning the system 2: 161; 5:81
         Questionnaire EX-1, scope of 2:59, 60
         SEC files, consultation of 2:60
         statistical data collected, varieties of 2:60
    Special Study summary regarding 2: 161-167; 5: 81-87
         for analysis, see pertinent subtopics under "Specialists"
         dealer, specialist as: see Dealer function of, above
         illegality, absence of in activities 2: 161; 5:81
         increased importance of specialist 2: 161; 5:81
         surveillance and enforcement 2: 166, 167; 5: 86, 87
    Statistical tables showing volume, capital, etc., of selected units
                  2: 380
    Stock day, analysis of trading by 2: 52
         group, concept in evaluating performance of 2: 109
    Stock day volume of trading by 2:53
    Stops granted by, February 21, 1962 (table) 2:392
    Surveillance of activities of
         block transactions capital obligations 2: 133
         book as source of data for 2:74
         conflicts of interest: See Conflicts of interest: Specialists
         conflicts of interest cases 4:552
         disciplinary cases 4:550, 551, 553, 554
         Exchange Form 81 as basic 2: 82; 4: 550, 551
         financial questionnaire used in 4:550
         Form 81, accuracy of answers to 4:551
         "not held" orders, acceptance of $\fig$4:552
         price variation between sales and spreads 4:551
         procedures to measure specialists' performance 4:550
         public complaints, processing 4: 552
         public customers' transactions with specialist 4:551
         Saperstein Interpretation tests 2:82
             see Saperstein Interpretation, above
         Special Study summary 2: 161, 166, 167; 5: 81, 86, 87
         standards of performance employed 4:550
         statistical system employed, and its effectiveness 4:551,552
         stock watching program, through 4:552
         visits by Department of Member Firms 4:550
     Surveillance: Financial requirements 4:550
     Surveillance: Performance 4: 550, 551
     Surveillance program of NYSE
         capital requirements 2: 93, 94
         "cleaning up the market" 2:92
         "daylight trading" 2: 94-96
         market stabilization 2:97
         Rule 104, participation rule 2:89
     Tax planning through long-term investment accounts 2:133-135
         inventory costing method as affected by 2: 135
     "Tick" test of market specialization
         See "Tick" test of market stabilization
     Trading as percent of total round-lot volume, 1937-61 2: 379
```

```
Specialists—Continued
    Trading, mode of 2:83
    Trading pattern in specific stock on given day 2: 126
    Trading pattern, selected 1961 weeks (table) 2:377
    Trading volume and patterns
        tables showing various aspects 2: 375-386
    Trading volume for selected stocks, February 16, 1962
         table showing 2: 375
    "Trading with the book," NYSE rules limiting 2: 64, 65
    Twice-total-volume test of participation (TTV) 2:90
    Units of specialists, number, size and composition of
        capital carried by, variations in 2:70 combined book 2:67
        common stocks assigned to, average number of (tables)
                 2: 67, 368–370
         common stocks per unit, December 31, 1961 (table)
                 2: 369, 370
         components of, analytical table of 2:67
         distribution by number of specialists 2:369
         diversity of characteristics of 2:71
        income of 2: 68, 69, 371-373
         ioint account defined 2:67
        number in each unit, distribution of trading by (table)
         number of specialists, issues, round-lot volume, 1937-61
           (table) 2:370
         number of units and specialists in them 2:67
         participation of in trading, range of 2:91
         partnership as dominant form 2:67
         per specialist unit (tables) 2: 370, 371
         round-lot trading 2: 51, 370-372, 379
         round-lot volume in assigned
           stocks, 1961 (table) 2:370
         round-lot volume, 1961, percentage distribution (table)
                  2: 371
         selected units and weeks, 1961 (table) 2:380
         79 stocks selling at $20 and over, February 16, 1962
                                                             2: 375
         specialists per unit, March 26, 1962 (table) 2: 369
Speculation
    Specialists in 1:262-268
         See also Boiler rooms
Splits
     Advance information on, issuer's impropriety in giving 2: 159
Spokane Stock Exchange
    Disciplinary actions, 1953-62 4:743
    Income of 4: 600, 601
    Stocks traded on 4:599
     Market break of May 1962, activities during 2: 789-796
    Market makers' purchases and sales effected by 2: 683
    Over-the-counter stocks
         price analysis of transactions by sponsors, market makers and
           others 2:786-788
```

```
Sponsors—Continued
    Public and dealer spreads in sponsored and non-sponsored trans-
      actions 2:684
    Public volume with effected over-the-counter, proportion of 2:683
Sponsorship
    Definition of 3:45
         See Underwriters
    Exchange Act Section 16(b), potential impact of 3:49
    Integrated over-the-counter firm's activities in 2: 585, 587
         See Over-the-counter wholesale markets: Integrated firms
    Market behavior of sponsored and unsponsored stocks compared
         statistical study of 62 stocks 2: 586
    Termination of trading by sponsor 2: 567
Spread in Over-the-counter markets
    Analysis of spreads (table) 2:574
    Classified by number of dealers and price of stock 2:680
    Competition as narrowing 2: 574, 576
    Cost of executions, as item in 2: 627, 628
    Disclosure of in over-the-counter retail market quotations 2:640
    Highest and lowest quotations, competition factor in 2:575
    Individuals' transactions, by dealers quoting a two-way market
                  2: 705
    Individuals' transactions, by price 2: 705
    Individuals' transactions, by share volume
                                               2: 704
    Individuals' transactions, by value of shares sold 2: 704
    Individuals' transactions, 48 selected stocks 2: 704, 705
    Individuals' transactions, January 18, 1962 (table) 2: 698
    "Inside" quotations where two-way market, January 18, 1962
                  2: 682
    Large spread, effect of on customer 2: 574
    Listed securities in over-the-counter markets 2:889
    Market makers with other dealers, in over-the-counter transac-
      tions, January 18, 1962 2: 681
    Narrowing market, effect in 2: 574, 575
    Percent of spread between purchase and sale price. January 18.
      1962 2: 681
    Positions, where broker-dealers without
      individuals' purchases and sales 2: 698
    Price computation, as factor in 2: 643
    Retail price, as included in 2: 635, 636
    Sponsored and non-sponsored stocks in over-the-counter transac-
      tions 2: 684
    Spread-widening, practice of 2: 574, 575
    Tables showing various aspects of 2: 680-684
    Tape, late NYSE, as affecting 2: 900, 901
    When significant professional participation
Spread of underwriter of securities issue 1:481
Stabilization:
    See Market stabilization; Market stabilization, specialists and
State regulation and controls over securities business
    Admission standards and procedures 1: 48, 81-83
        function served by 1:81
        inadequacy of 1:81
```

uniform State legislation, absence and need of 1:81,82

State regulation and controls over securties business—Continued Banks, protection of investors in securities of 3:37 Blue Sky Laws: See Blue Sky Laws. Corporate publicity and anti-fraud laws 3:96 Disclosure in mutual fund sales 4: 169 Examinations for salesmen of securities 1: 109 Financial responsibility of broker-dealers list of states imposing controls 1:89 ratio rules 1:83 Free credit balances, restrictions upon 1:400 Hypothecation of customers' securities 1:405, 406 Inadequacy of 1:81 Insurance company issues 3:40 Intrastate offerings of securities 1:574 Investment advisers, controls over entry of 1: 148, 149 Mutual fund sales literature and advertising NASD regulation of 4:659-660 See National Association of Securities Dealers Mutual funds, controls over reciprocal business portfolio allocation 4:230 Mutual funds selling, controls over 4: 168, 169, 230 See Mutual funds: Selling practices Public offerings, standards imposed on issuers 1:493 Qualifications of personnel 4:734 Real estate security offerings 1: 587, 588 Regional exchanges, as factor in listing on 2:812 Sales literature and advertising NASD regulation 4:659,660 Salesmen of securities, controls etc. registration 1:131 See also Registration of salesmen of securities Securities laws enforcement and NASD policy 4:662 Segregation of customers' securities by broker-dealer 1:402 Self-regulation in securities business, role of broker-dealers and salesmen, qualifications of 4:734 capital or bonding requirements 4:734 disciplinary actions and procedures 4:735-737 disclosure requirement enforcement, weakness in 4:734 enforcement problems, efforts as less successful 4:735, 736 front-end load contractual plans, prohibiting 4:734 importance of cooperative efforts 4:735 interstate organizations of officials, activities of 4:735 intrastate offerings of real estate equity securities 4:734 Midwest Securities Commissioners Association 4:735 See Midwest Securities Commissioners Association NASD nondisclosure policy, recommended relaxation of 4:737 NASD refusal to furnish information about disciplinary proceedings 4:735-737 North American Securities Administrators 4:735 See North American Securities Administrators public sale of securities, prohibiting 4:734 second line protection behind Federal law 4:734 selling practices 4:734

underwriters' compensation 4:734

State regulation and controls over securities business—Continued Selling practices: See Mutual funds: Selling practices; Selling practices Underwriter's compensation 1:511 Uniform Securities Act impact 1:82,83 Supervisors, controls over qualifications of 1: 142 Statistical tables and charts Special Study use of 1:7 tables are subject-indexed throughout Statutes See also individual acts citations to sections are in tables following the subject Index Federal securities laws listed 1:2 Investment Advisers Act of 1940 registration of advisers under 1:48 Maloney Act Salesmen of securities, places control of in NASD 1: 115 Martin Act (New York) registration of salesmen of securities 1:131 Real Estate Investment Trust Act of 1960 real estate securities, impact upon 1:576 Securities Act: See Securities Act citations to: See Tables following Index Securities Exchange Act: See Exchange Act citations to: See Tables following Index Stock Brokers' Associates of Chicago (SBAC) Statement of purposes 4:691 Surveillance, minimal significance of 4:691 Stock day approach and concept See New York Stock Exchange Stock dividends Listed companies, NYSE requirement of announcement by **4:** 568 Stock exchanges See Exchange markets; see also individual exchanges Stock option plans Going public, as a reason for 1:492 Stock options Corporate publicity, as part payment for Special Study summary 3: 102 Financial public relations counsel, as compensation 3:67,68 Underwriter's compensation, as 1: 502-511 See Underwriters: Compensation stock Stock tickers See Ticker tape; see also New York Stock Exchange Stockbrokers Agents, not dealers under Bankruptcy Act, as 1:412 Broker-dealers: See Broker-dealers in securities Dealer as well as broker, recommended inclusion of 1:416 Definition of 1:411, 412 Stocks See Bonds; Listed securities in over-the-counter markets: Pre-

ferred stocks; Securities; Over-the-counter securities

```
Street name
    Definition of 1:446
    Securities' identification by 1:403
Strong vocational interest test
    Salesmen screening, use in 1: 101
Subpoena
    Disciplinary actions and proceedings
         absence of power in self-regulatory agencies 4:732
    NASD lack of power 4:659
    SEC as having the power 4:732
    Self-regulation as impeded by lack of 4:697
Subscription accounts
    Margin-collateral status, question of 4:24, 25
Subscription services offering investment advice 1:359-369
    See Investment advice: Subscription services offering
Suitability of security for customer to whom recommended
    See Securities
Supervision in the securities business
    Broker-dealers' supervision: See Broker-dealers of securities
    Exchanges: See Exchange markets; National Association of
      Securities Dealers; see also individual exchanges
    Personnel, qualifications of: See Qualifications of persons in the
      securities business; Salesmen of securities; Supervisors, control
      over qualifications of
    Salesmen: See Salesmen of securities
    Selling practices: See Mutual funds: Selling practices; Selling
      practices
Supervisors, controls over the qualifications of 1: 133-142
    Aquafilter issue distribution, failure of supervision in 1: 278, 279
    Compensation paid to 1:135
    Dealers' records, use of by SEC 1:139
    Educational level 1:138
    Employee-supervisors 1:133
Examinations for "registered representative" 1:139
    Exchanges other than NYSE 1:141
    Federal controls 1:139
        absence of separate standards 1:139
        dealers' records, use of 1:139
    Functions of supervisors
        branch office managers, importance of 1:134
        employee-supervisors 1:133
        relations with public, control over 1:133
        scope of 1: 134
        who are supervisors 1:134
    Mutual fund salesmen, selection of 1:136
    NASD controls over 1: 139
    New York Stock Exchange controls 1: 140, 141
        See New York Stock Exchange
    Place of in securities industry 1: 133
    Rules generally, failure to mention 1: 138
    Salesmen supervised by supervisors
        mutual fund firms 1:135
        number of 1: 135
        salesmen-to-supervisor ratio 1: 135
```

```
Supervisors, controls over the qualifications of—Continued
    Selection of supervisors 1: 135
        advertising, qualities emphasized in 1:135
        age factor 1:138
        educational level 1: 138
        educational requirements 1:137
        experience 1:138
        mutual fund salesmen 1: 136
        own salesmen, from 1: 135
        partner, chance to become, as inducement 1: 136
        preparatory period 1:138
        previous securities experience 1: 136
         promotion from ranks 1: 135, 137
         sales volume as criterion 1: 137
             NYSE view concerning 1: 137
         salesmen, selection from 1:136
             firms disapproving of 1: 137, 138
        securities experience 1: 138
         selling experience, question of
                                       1: 136
             mutual fund salesmen 1: 136, 137
    Separate qualification standards and licensing
         Special Study summary and conclusions 1: 158; 5: 44
    Special Study summary as to 1: 157, 158; 5: 44
    Standards peculiarly applicable to, hope to establish 1: 140
    State controls over broker-dealers 1: 142
    Titles given supervisors 1: 134
Surety bonds for broker-dealer firms 1:86-89
"Switching"
    Mutual funds selling, in 4: 151, 164, 165
         See Mutual funds: Selling practices
Tables and appendixes in the Special Study, lists of
    (These are indexed by subject in the Index proper)
                  1: xxiii, xxiv, 27-37, 44, 45, 235, 478, 479;
                  2: 27-33, 536-539, 802-806; 3: vi, vii;
                  4: xxi, xxii, 93, 499, 819, 820
Tape
    See Ticker tape
Tax aspects of securities business
    Capital gains
         long-term investment accounts, in 2: 133
    Long-term investment accounts of specialists 2: 164, 165;
                  5: 84, 85
         AMEX specialists 4:788-790
             See American Stock Exchange
         I.R.C. Section 1236 as affecting 2: 134
         segregation of accounts by specialists 2: 133-135
     Mutual funds, tax advantages claimed for 4: 175, 272
         exemption of income at company level 4:272
         question of advantages of 4:175
     National Quotation Bureau, Inc., sheets in computation of
                  2: 595
     Real estate securities 1: 580-585
         See Real estate securities
     Short selling, advantages in 2: 250
```

```
Tax aspects of securities business—Continued
    Specialist bias in inventory method 2: 135
    Specialist segregation of long-term investment accounts
                  2: 165, 5: 84, 85
    Transfer tax
         avoidance of by over-the-counter market trading
         listed securities trading over-the-counter to avoid 2: 906
         odd-lot transactions, in 2: 178, 179
         regional exchange trading as means of avoiding 2:939
         specialists' absorption of 2: 178, 179
         transfer offices to avoid 2:947
Technical Animations, Inc.
    Financial publicity, effect of on stock sale, price 3:72-75
         profile of stock 3:74
    Time Magazine article on, effect of 3:72,73
Telemeter Magnetics
    NASD disciplinary action in connection with stock of 2:568
Telephone
    Corporate public relation firms' use of 3:82,83
    Mutual fund salesmen's prospecting by 4: 127
    NYSE members' use in executing orders
    Over-the-counter trader's use of 2: 555
    Salesman's use of 1:251
         See also "Boiler shops"
    Speculative issues, use of to promote sale of 1:263
Teleprinters
    Inter-dealer communications by 2:560
Teleregister boards
    Exchange transactions reported by 2:44
Teletypes
    Inter-dealer communications by 2:559,560
    Investment advice through 1:358
Television
    Securities industry advertising by
Testimonials, deceptive use of 1:382
Texas, registration of securities salesmen in 1:132
"Third market"
    See also Listed securities in over-the-counter markets; Over-
      the-counter markets
    Definition of 2: 716, 870
    Range of stocks traded or transferred on, 1961 (chart)
                                                            2: 876
"Tick test" of market stabilization
    AMEX floor trading restrictions 2: 237, 238
    Application of to specialists' trading 2: 101, 102
    Consecutive transactions, need of more data concerning
    Declining and rising market, comparison of accuracy in
    Destabilizing activity, as test of 2: 104-106
    Direction of specialist to buy low and sell high 2: 103
    Evaluation of test, elements considered in 2: 102
    Example of operation of 2: 102
    Floor traders' stabilizing effect measured by 2: 222, 223
Standard & Poor's "500" Stock Composite Index 2: 413
    Group, evaluating performance of specialists as 2: 107, 108
         favorable picture presented by test 2: 109, 110
```

```
"Tick test" of market stabilization—Continued
    Inaccuracy of 2: 103–106
    Inadequacy of
         market break of 1962, summary 2: 120, 121
         price without depth, in market with 2: 124-126
    Insufficiency of 2: 104–106
    Leeway allowed specialist in executing transactions 2: 105
    Market participation test, as 2: 101-106
    "Minus tick" transactions 2: 102
    Percentage comparisons for 4 selected days (tables)
    Period of daily time for operating test 2: 103
    "Plus tick" prevalence v. price change
NYSE transactions, selected days in 1961 2: 446-451
    Price change versus specialist purchase tick test score
         table showing for 3 days in 1961 2:381
    Price changes under, Special Study analysis of 2: 103
    Purchases on zero tick
         NYSE rule limiting 2:233
    Short selling, effect in
         Market Break of May 1962
    Short selling under SEC 1939 rule
         tick table, use of 2:252
    Special Study recommendation as to 2: 170: 5: 90
    Specialists' transactions, selected 1961 days
         purchase score v. plus tick prevalence 2: 448, 449
        sales score v. plus tick prevalence 2: 450, 451
    tables showing price range and stabilization effect 2:381-385 "Zero minus tick" 2: 102
Ticker tape
    Market crash period lag in 4:832
    NYSE use in reporting transactions: See New York Stock
      Exchange
    Number and location of stock tickers 2:43
    Omission of transactions from
         block transactions 2: 130
         "stopped" stock transactions 2: 152, 153
    Over-the-counter market, importance to
        late tape 2: 900, 901
    Projection of on screens 2: 43
    Recording transactions on, Special Study recommendation
                  2: 169; 5: 89
    Specialists' block purchases not recorded on 2: 130
Time Magazine
    Financial articles in, effect of on stock sale and price 3: 69, 73
    Financial column, stock options to writer of 3:69
Touting
    Commercial bribery aspect of 3:97
    Exchange Act prohibition of 1:303
    Investment courses, through 1: 249
    NASD investigation of member firms' sales literature 1:381
    Newspaper and magazine articles 3: 72-77
    Newspaper financial writers, by
    NYSE rule concerning 1:316
    Securities Act, Section 17(b) prohibiting 1:303
```

Undisclosed consideration for, Securities Act violation 3:97

"Trading Floor"

Securities experience of publisher of 1: 147

Trading markets

Generally Part 2, Chapters, V-VIII

See also Distribution markets; Exchange markets; New issues of corporate securities, distributions of; Over-the-counter markets: Regional exchanges; Secondary distributions of securities; individual exchanges

Access to by public investors, factors influencing

2: 5, 6, 958, 959

advice available to broker-dealers' customers 2: 959 broker-dealer's freedom or limititation of access 2: 959 business being channeled toward or from a particular market 2: 958, 959

changing conditions, vigilance needed to keep abreast of 2:959

exchanges' recognition of broker's duty to get best price 2: 958

incentive for broker to favor one or another market 2: 959 membership or nonmembership of a particular exchange 2: 959

off-board transactions, NYSE and AMEX restrictions on 2: 958

price and cost as factors in 2: 958

salesmen's compensation as influencing their activities 2: 959

Special Study recommendation of SEC study of 2:961; 5:148

Allocation of securities among: Special Study summary, conclusions and recommendations 2: 834-837; 5: 131-134

depth, factors affecting 2: 834, 835; 5: 132

issuer's freedom to decide on which market 2:836; 5:133

listing concept as crucial 2:834; 5:131

over-the-counter active category 2:834; 5:131

over-the-counter inactive category 2:834; 5:131 over-the-counter market, expectations of 2:835; 5:133

round-lot unit as affecting 2:835; 5:132

securities traded, characteristics of 2:834; 5:131, 132

securities traded, exchanges compares 2: 834; 5: 131, 132 suitability of security for market trading 2: 835; 5: 132

volume of trading 2:834; 5:131

Allocation of securities between exchanges and over-the-counter markets

Auction, demands of continuous: see Auction market;

Depth, below

basic dividing lines of market allocation 2:808

Blue Sky Laws 2: 810

broker-dealers' influence 2:811

continuous auction market, demands of 2: 828

distribution facilities as factor in choice 2:810

dollar volume, range of: see Dollar volume, ranges of, below exchange control over own listing requirements 2: 810

exchange restrictions on members' trading 2:808

```
Trading markets—Continued
    Allocation of securities between exchanges—Continued
        exchanges' decisions at to 2:808
        factors affecting market allocation: See Market allocation:
           Factors affecting
        geographical considerations 2:810
        interacting decisions of several parties 2:808
        interested parties in, roles of 2: 809, 810
        issuer as deciding 2: 808, 811, 836
        issuer as participant in 2:810
        listed stocks traded on over-the-counter markets 2:879
        listing and delisting standards and needed reexamination of
           them 2: 812, 813, 836; 5: 133
        "listing" and "unlisted trading privileges," concepts of: See
           Listing and delisting of securities by exchanges
        "listing" concept as affecting 2:808
             See Listing and delisting of securities by exchanges
        need of data and facilities sufficient for judgment 2: 960
        NYSE prestige as influencing 2:810
        observer as guardian of public interest 2:960
        over-the-counter-listed securities, need of information on
                 2: 960
        over-the-counter market mechanisms, Special Study recom-
           mendations 2: 836, 837; 5: 134
        over-the-counter markets, motivation for 2:812,833
        public interests inadequately represented, when 2:959, 960
        regional exchanges 2:812
             See Regional Exchanges
        round-lot unit size reduction, recommended
                 2: 836; 5: 134
        SEC role as to fair field of competition 2:959
        SEC role in as to disputes 2: 959
        SEC role in supervision 2:808
        Special Study conclusions and recommendations
                 2: 836; 5: 134
        Special Study summary 2: 130–133; 5: 131–133
        statutory requirement governing issuers 2:810
        stock distribution among markets: See Trading markets:
          Stock distribution among
        stockholders as determining 2:808
        stocks, characteristics of 2:817
        stocks, distribution of among markets: See Trading markets:
          Stock distribution among
        stocks, trading volumes of 2:823,824
        suitability of security for market trading 2:835; 5:132
        trading volumes:
            see Trading volumes among markets, below
        "vicinity test," SEC proposal for deletation 2:812
    Auction markets, special demands of
        block transactions for institutions 2:842
        "depth," importance of 2:828
        erosion of caused by over-the-counter markets 2: 904
        high listing standards as factor in 2: 828
        public expectation of a market 2: 828
```

```
Trading markets—Continued
    Basic components of trading markets 2: 5-17
    Basic concepts and standards 2: 13-18
        public interest as goal 2: 13
        terminology employed 2: 13
    Basic concepts and standards: Balancing of objectivity
        protection of investors 2: 16
        public interest 2: 16
    Basic concepts and standards: "Depth" in relation to continuity
      and liquidity 2: 17, 18
    Basic concepts and standards: Exchange Act 2: 13-15
        disclosure 2: 13
        fair and honest markets 2: 13, 14
        free 2: 14
        "honest" 2: 14
        open 2: 14, 15
        orderly 2: 15
        protection of investors as goal 2: 13
        public interest as goal 2: 13
        reports 2: 13
        rules of self-regulatory agencies under 2: 13, 14
        specialists as dealers, limiting 2: 13
        statutory definitions, absence of 2: 13,14
    Basic concepts and standards: Non-statutory criteria
        continuous 2: 16
        fluid 2: 16
        liquid 2: 16
    Basic types of in United States 2: 7-15
        contrasting aspects of 2:7-11
        exchanges 2:7
        over-the-counter 2:7
        similarities, differences and interrelationships between
                 2: 11, 12
    Brokers participating in, definition of 2:6
    "Call" markets 2:8
    Changing currents in 2: 952-954
        commission rates of NYSE as fostering multiple markets
                 2: 953
         exchange-listed securities traded over-the-counter, increase
           in 2: 953
        institutional trading, increase in 2:953
        loss of primary listings from regional exchanges 2:954
        multiple-traded securities, regional exchange activity in
                 2: 953
        new questions constantly posed by for industry 2:954
        NYSE members' importance in other markets 2:953
         NYSE restrictions on member trading, effects of 2: 953
         over-the-counter markets' increase in size and importance
                 2: 953
        SEC's role in protecting public interest, summary
                 2: 960, 961
         Special Study conclusions and recommendations 2:961;
                 5: 148
         Special Study summary as to 2: 960, 961; 5: 147, 148
         technological developments in trading, effects of 2:954
```

```
Trading markets—Continued
    Compensation paid by customer exchanges, commission basis on
                 2:9
             See also Over-the-counter markets; Regional exchanges
        benefits of 2:957
        depth of market as affected by 2: 956, 957 depth of market, as affecting 2: 956, 957
        diversion from primary market as against public interest
                 2: 956
        government policy to create fair competition 2: 956, 957
        markup on over-the-counter markets 2:9, 10
        NYSE-listed stocks, competitive markets for 2: 954, 955
        over-the-counter, public interest as involved in 2:957
        public interest as involved in 2:956
        regional exchanges as providing competition 2: 956, 957
        SEC study of, Special Study recommendation as to
                 2: 961; 5: 148
        SEC's duty as to factors affecting balance of 2:957
        selling effort as influenced by 2: 10
    Contrasting aspects of two types of 2:7-11
         agency transactions for customers on exchange 2:9
         auction process in exchanges 2:8
         commission compared to markup 2:9
         compensation paid by customer 2: 10
         concentration 2:8
         exchanges, differences in individual 2:7,8
        information as to transactions, availability of 2:10
        mechanics: exchange markets 2: 9, 10
        mechanics: over-the-counter markets 2: 10
        organization 2:8
        over-the-counter, mode and places of trading on 2:8
        participation in exchange and over-the-counter markets
                 2:8,9
        price and quantity information on transactions 2: 10
        regulation: self-regulation 2: 10, 11
        rules and standards of exchanges and over-the-counter
           markets 2: 11, 12
        securities traded 2:9
         specialists on exchanges 2:8
         tape, use of on exchanges 2:10
         trading methods 2:8
    Definition of term 2:5
    Depth: See Depth of market
    Executions: See Executions
    Distribution markets distinguished 2:5
    Dollar volume ranges, exchanges and over-the-counter 2:824-826
    Dynamic character of 2: 12
    Exchange Act, as concern of 1:9
    Foreign securities markets, practices in 2: 18-20
        See Foreign securities in markets, practices in
```

```
Trading markets—Continued
    Free market, specialist and 2: 136-142
         See Specialists
    Growth of 1:21, 22
    Institutional investors, comparative volume of buying by 2:6
         See Institutional investors
    Inter-relationships: General considerations
         access to markets by public investors 2: 958, 959
         allocation between markets: see Allocation of securities
           among, above
         best execution, problems of 2: 958
         block transactions: See Block transactions
         changing currents: see Changing currents, above
                                                         2: 956, 957
         competition among markets as affecting depth
         depth of auction market, question of 2: 956, 957
         institutional participation: See Block transactions: Insti-
           tutional; Institutional investors
         NYSE-listed securities, competitive markets for 2:954-956
             see NYSE-listed securities, below
         over-the-counter markets in exchange-listed securities: See
           Listed securities in over-the-counter markets
         SEC's market allocation role and need for study 2: 959, 960
     Liquidity, specialist's role: See Specialists
     Market continuity
         current regulatory pattern 2:80-88
         exchange markets: See Exchange markets
         floor traders: See Floor traders on exchange markets
         odd-lot dealers: See Odd-lot dealers
         over-the-counter markets: See Over-the-counter markets
         share volume needed to maintain 2:78
         specialists: See Specialists
     NYSÉ-listed securities in, competitive markets for 2: 954-956
         See also Listed securities in the over-the-counter markets
         ability of other markets to service orders 2: 955, 956
         erosion of primary market resulting from 2:956
         influences attracting trading to different markets 2:955
         mere quotation board, NYSE as 2: 956
         NYSE concern with development of competition 2:955,956
         over-the-counter trading in utility stocks 2: 955
         stocks most actively traded on NYSE 2: 955
         total trading away from NYSE 2: 955
         utility stocks as most actively traded 2: 955
     Odd-lot dealers: See Odd-lot dealers
     Over-the-counter markets (O-T-C)
         See Over-the-counter markets (O-T-C)
     Participants in, various kinds of 2: 5, 6
          exchange and over-the-counter contrasted 2:8,9
         institutional investors 2: 6, 7
          professionals—underwriters, brokers, dealers 2: 5, 6
     Public investors, increase in 2:6
     Prices: See Prices; see also individual exchanges
     Primary markets, how determined for particular securities
          factors involved in 2:808
```

exchanges

```
Trading markets—Continued
    Primary markets, varying meanings of term 2: 12, 13
    Public participation in
        access to market by 2:958, 959
        comparative volume of buying 2:6
        increase in 2:6
    range of 2: 5, 6
Regulation of, exchanges and over-the-counter compared
                  2: 10, 11
         distinct and different rules for basic types 2: 11, 12
        self-regulation;
             See Self-regulation in the securities business
         statutory 2:10
    Secondary markets
         distributions through: See Secondary distributions of securi-
         varying meanings of term 2: 12, 13
    Securities allocation to, SEC role in 2: 959, 960
         see Allocation of securities to, above
    Securities markets defined 2:7
    Shares outstanding
         See Shares outstanding; See also Stocks traded, characteristics
           of; Stocks traded, characteristics of, 1961, below
         execution, SEC attention to factors affecting 2:961; 5:148
    Special Study conclusions and recommendations
         SEC duty to collect data on market condition changes
                  2: 961: 5: 148
    Stabilization of: See Market stabilization; Market stabilization,
       specialists and
    Statutory criteria and standards 2: 13-16
    Stock distribution among markets
         see also Allocation of securities between over-the-counter and
           exchange markets, above
         assets of issuers, end of 1961 (table)
         characteristics of stocks traded 2: 817-823
             see Stocks traded, characteristics of, below
         issues traded on exchanges, number of 2:817
         issues traded on NYSE, number of 2:817
         listed securities on over-the-counter markets 2: 875
         shareholders, by number of (table)
                                             2: 961
         shareholders, by range of 2: 822
         shares outstanding, by exchange and over-the-counter cate-
           gory 2: 819
         trading volumes: see Trading volumes among markets, below
         unlisted stocks, number of 2:817
         volumes, by: see Trading volumes, below
    Stock distribution and trading pattern 2:817-827
         See also Distributions to the public: Primary and secondary
           distributions; Exchange markets; Over-the-counter mar-
           kets; individual exchanges
    Stock exchanges: See Exchange markets; see also individual stock
```

```
Trading markets—Continued
    Stocks traded, characteristics of 2: 817–823
        assets, ranges of 2:822
        categories studied 2: 817-823
        diversity within each group 2:823
        exchanges and over-the-counter markets compared
                 2: 817–823
        inactive stocks, in over-the-counter category 2: 817, 818
        issuer's assets, range of 2:819-822
        large issues meeting NYSE yardsticks 2: 822, 823
        listed and unlisted, number of issues 2: 817
        listing requirements, meeting or exceeding 2: 822, 823, 967
        listing requirements of NYSE, meeting twice 2: 823, 968
        market categories, summarized by 2: 817-823
        market value of shares outstanding, 1961 2:817, 966
        NYSE-listed stocks as in high size-ranges 2: 822
        NYSE stocks not meeting NYSE standards 2:823
        over-the-counter active and inactive stocks 2:822
        overlapping pattern of 2:817,823
        percentage not meeting NYSE standards 2:823
        price ranges, exchanges and over-the-counter compared
                 2: 822
        prices in exchange and over-the-counter markets (table)
                 2:969
        shareholders, by range of in each market 2:822
        shareholders, number and range of (chart) 2:822, facing 876
        shares outstanding, by exchange or over-the-counter category
        shares outstanding, by market value range 2:820
        shares outstanding, distribution by (tables) 2: 965, 967
        shares traded or transferred, classed by 2:824, 968
        two-thirds of stocks, analysis by (table)
                                                 2:967
    Stocks traded, characteristics of, end of 1961
        distribution of trading or transfer volume (chart)
        issuer's assets, range of 2:821,876 (facing)
        market value of shares outstanding (chart) 2:820
        net number on stock exchanges (chart) 2:926
        price range (chart)
                            2: 826
        range of shares traded or transferred (chart) 2:825
        shareholders, distribution by number of (tables) 2: 965, 967
        shareholders, range of (chart)
                                       2: 818
        shares outstanding 2:817, 819, 965, 966 shares outstanding, chart showing range of 2:819
        shares outstanding, market value (chart) 2:876 (facing)
        shares outstanding, range of (chart) 2:876 (facing)
        shares traded or transferred, range of (chart) 2:825
    "Third market"
        over-the-counter trading in exchange stocks 2:716
        range of stocks traded or transferred on, 1961 2:876
        shareholders, number and range, 1961 (chart) 2:876 (facing)
    Volume of trading or transfer on
        See Volume of trading or transfer; see also individual
          exchanges
```

```
Training of securities business personnel
    See also Experience and competence of those engaged in securities
       business
    Albion Securities Co., Inc. 1:63
    Broker-dealer programs
         nature and extent of (table) 1:172
    Broker-dealer programs, selected firms (table) 1: 106
    Classroom, by broker-dealer firms, table of 1:172
    Investment advice, those giving 1: 144
    Mutual funds salesmen 4: 116-121
         See Mutual funds: Selling practices
    NASD qualification examination
         results, November 1, 1962-February 28, 1963 (table)
                  1:112
    New York Stock Exchange programs 1:78, 79
    On-the-job training
         nature and extent by broker-dealer firms, table of 1:171
    Principals, importance of training for 1:65
         See also Principals of broker-dealer firms, qualifications of
    Salesmen: See Salesmen of securities:
         See also New York Stock Exchange
Transaction
    Commission transaction, definition of 2:265
Transfer of securities
    See Delivery of securities; Securities
Transfer tax
    Avoidance of by over-the-counter market trading 2:906
    Listed securities trading over-the-counter to avoid 2: 906
    Odd-lot sales 2: 178, 179
    Regional exchange trading to avoid 2: 939
    Salesmen of NYSE member firms: See New York Stock Exchange
    Specialists' absorption of 2: 178, 179
Transfer offices to avoid 2: 947
Trust funds
    Corporate security holdings of 1: 10
    Institutional holdings of 2: 838
    Institutional investments in, March 1961
         market and type of stock 2: 998
    Large-block transactions by, 1961 2: 1046
    Stock transactions, March 1961, April 1962
        by market and type of stock (tables) 2: 998, 1018, 1046,
                  1047
Trust Indenture Act of 1939 1: 2
    Reporting requirements under 3: 6
Turnover of securities salesmen 1: 95-98
    See Salesmen of securities
Underwriters and underwriting
    After-market, managing underwriter's role in 1: 539-544
        Blyth Grosset & Dunlap stock as example 2: 583-585
        conflicts of interest 1: 539
        disposition of equity interests 1: 541-544
        equity interests of underwriter, disposition of: see Equity
                 interests, below
```

information, obligation to furnish 1: 541

```
Underwriters and underwriting—Continued
    After-market, managing underwriter's role in-Continued
        issuer and market for its stock, relationship to 1: 539-541
        key figure, underwriter as 1: 539
        manipulation, opportunity for 1: 540
        market-maker, disposition of stock received as 1: 546
        principal market maker, as 1: 539
        Rule 10b-6 restrictions on trading, ambiguity of 1:545
        Special Study summary 1: 557; 5: 71
        stabilizing purchases under Rules 10b-6 and 10b-7 1:546
        trading market, obligation to provide 1:541
    Age of firm as factor in
        newer and older firms compared 1:495
    Best efforts
        cost compared to firm commitment underwriting 1:504
        definition of 1:495
        net capital ratio rule in 1:86
        new-firm concentration on 1:67
        newer underwriters as favoring 1:495
        unseasoned issues offered in 1961 1:86
    Block transactions
        formal agreement with over-the-counter wholesale dealer
                 2: 591
    Block transactions for institutional investors
        listed stocks, in 2:844
    Capital of, for new issues of common stock 1:494
        Special Study recommendation for minimum 1: 162; 5:48
    Characteristics of underwriters of new issues of common stock
                 1:493
        age and experience of underwriter 1:493,494
    Civil liability under Federal and state laws
        rescission and damages 1:83
    Commission or "spread" as distributor 1:481
    Compensation
        controls over 1:511,512
        NASD review of 4:661
        NYSE regulation of own members concerning 4:536
        public as bearing large part of burden of 1:511
        real estate securities offerings 1:586
        real estate syndications 1:579
        securities as part compensation
             transferability of 1:508
        State regulation limiting 4:734
    Compensation: Cash
        account for which offered and type of compensation (table)
                 1: 619
        percent of gross proceeds (table) 1: 616
        seasoned, unseasoned offerings, as percent of proceeds
          (table) 1: 617
        size of offering, classed by (table) 1: 618
        type of compensation, classed by (table) 1: 618
        underwriting agreement, classed by type of (table) 1: 618
```

```
Underwriters and underwriting—Continued
    Compensation: Noncash or equity
        agreement type and site of offering, 1960-61 (table) 1: 620
        disposition of on after-market 1: 541-544
        options, Special Study recommendation as to exercise of
                 1: 559; 5: 73
        percent of all underwritten common stock offerings (table)
                 1: 619
        registration of 1: 541
            Regulation A issues 1: 542
        risks assumed, as factor 1: 510
        seasoned and unseasoned issues, by size of offering, 1960-61
                 1: 620
        solicitation for sale on after-market 1: 542
        stock interest in issuer's company 1: 499
        stock options 1:507
             cost to issuer of 1: 511
        stock purchase at discount 1: 506, 507
        underwriting agreement and size of offering, by (table)
                 1: 620
    Compensation: Noncash or equity, disposition of
        after-market, in 1: 541-544 brokers, sale to 1: 543
        conflict of interest in sale to customers 1: 547
        institutional buyers, to 1: 543
        interim financing arragements, from 1: 542
        methods employed 1: 543, 544
        over-the-counter market wholesaler's role 2: 565, 566
        registration of along with public offering
        salesmen and traders, to 1:544
        solicitation after post-effective amendment filing 1: 542
        time held before disposition 1: 541
    Conflicts of interests
        corporate director, when underwriter is 1:433
        issuer of stock and after-market, as to 1:539
    "Contractual commitments" defined 1: 407
    Customer allotment policy 1: 524
        delay in notification 1: 527
        discretionary accounts 1: 524
             defined 1: 524
        "hold for investment" advice to 1:530
        house accounts 1: 524
        known customers, favoring 1: 523
        steady, hard-core customers 1: 524
    Directorships of companies issuing underwritten stocks, pros and
      cons of 1: 539
        advantages and responsibilities 3: 45
        Exchange Act Section 16(b) problem 3: 42-55
        interlocking director-market maker relationship
        market makers in underwritten stock, serving as 3:43
        "sponsorship" of underwritten stock 3: 45
        varying policies of broker-dealers 3:44
    Discount in new issue distributions, size of 1:260
```

Underwriters and underwriting—Continued Dissolution of syndicate upon completion of distribution 1:481 Distributor distinguished 1: 579 Efforts to obtain business 1: 495-500 advertising 1:498 finders, employment of 1:495, 498 lower standards which may result 1:495, 496 Regulation A flotations 1:496 renaming companies to follow current fashion 1:498 scientific and technical backgrounds, hiring 1:497 solicitation 1:495 Equity interests received, disposition of on After-market 1: 541-544 see Compensation: Noncash or equity, disposition of, above Fees, assessment of by NASD 4: 644, 645 Financial publicity counsel, arrangements with 3:70 Finders' fees, stock warrants as 1:509 Finders, use of 1:498 Firm commitment basis definition of 1:494 new issues, requirements of 1:494 Firms engaged in case histories of four firms 1:52-65 Regulation A offerings, new-firm concentration on 1:67 speculative issues, new firm activities in 1:67 Free-riding practices and beneficiaries 1: 528-533 See New issues of corporate securities, distribution of Gross income source, underwriting as 1: 18 "Hot" issues, role as to 1: 493 Special Study summary 1: 553; 5: 67 Integrated over-the-market firm, relationship with after-market share redistribution 2: 581-583 basis of distribution, as 2: 585 price control 2: 582 Interim financing by, and compensation for 1: 508 Issuer, relationship to and market for its stock 1: 539-541 Lawyers' role in 1:500 Managing underwriters after-market, role in: see After-market, managing under writer's role in, above noncompetive market, dominance in 2:589 offerings by of unseasoned issues in 1961 (tables) **1**: 612, 613 Market-makers in issues underwritten 1:539 board membership, policy as to acceptance of 3:44 broker-dealers' varying policies concerning 3:43 directorate, size of issue where relationship exists 3:46 Exchange Act Section 16(b) problem 3: 42-55 interlocking director-market maker relationship question **3:** 43, 46 potential impact of Section 16(b) on market making trading market, responsibility to maintain 3:44

```
Underwriters and underwriting—Continued
    Mutual funds 4: 171
        allocation of brokerage 4:215
        NASD inspection program for 4:231
        principal underwriter 4:96
        voluntary plans 4: 173-179
             See Mutual funds: Voluntary plans
    NASD board of governors, representation of underwriters on
                 4:611
    NASD committee on underwriting arrangements, functions of
    NASD underwriting fees, assessment of 4:644,645
    Net capital ratio rule applicability to 1:86
    New issues, role regarding 1: 493-500
        1959-61 1: 485
        account for which offered and type of compensation, by
           (table) 1:619
        agreement, type of, 1961 (table)
                                         1: 613
        capital qualifications 1:494
        care in selecting offerings 1:496
        characteristics of underwriters 1:493
        compensation: see Compensation, above
        date of organization and experience of principals, 1961 (table)
                 1:612
        date of organization and type of underwriting agreement
           (table) 1:613
        date of organization of managing underwriter (table)
        date of organization, size of net capital, 1961 (table)
                                                             1:612
        determination of issues suitable to go public 1:493
        dollar value with relation to age of firms 1:494
        efforts of underwriter to obtain business 1: 495-500
             see Efforts to obtain business, above
        firm commitment distribution basis 1:494
        "hot issues" 1:493
        nature of the underwriting 1:494
        net capital and after-market price of stock, 1961 unseasoned
           offerings 1:615
        number of issues underwritten, 1961 1:493
        number of offerings by new firms 1:494
        pricing, conflicting roles in 1:500
        share of the market allotted 1:494
        small, speculative offerings by new underwriters 1:495
        unseasoned stock issues, study of 1:493
    Principals of firms engaged in, qualifications of: See Principals
      of broker-dealer forms, qualifications of
    Promoter's fee for underwriting
        fate of some companies so underwritten 1:499
    Prospectus, sanctions for failure to use 1:84
    Purchases or bids by, Rule 10b-6 under Exchange Act 1:542
    Real estate securities offerings
        conversion privilege, dilution by 1:586
        interest and compensation, disclosure of 1:586
    Rechristening companies to attract stock purchasers 1:498
    Registration of securities, role in 1:514
```

Underwriters and underwriting—Continued Regulation A offerings new-firm concentration on 1:67 Short selling, use of device by 2:250 Small Business Investment Company stocks price movements and market-making, correlation 3:54 Solicitation of customers for underwritten issues 1:534 "Sponsors" for underwritten stock, as 3:45 definition of term 3:45 over-the-counter wholesaler, relations with 2:585,587 Standards needed 1:552 Trading market, responsibility for see Market-makers in issues underwritten, as, above Underwriting arrangements review of, NASD program for 4:669 Unseasoned issues broker-dealers' net capital connected with 1:91,92 Wholesale over-the-counter dealers, relations with channeling business to wholesaler 2:565 cheap stock or options, offering 2: 565, 566 Uniform Securities Act Anti-fraud provisions in control of selling practices 1:322 For citations to, see tables following this Index Over-the-counter market use of, study of 2:657 Universal Electronic Laboratories, Inc. Block transactions in for institutions 2:846 See also Listed and unlisted securities in the over-the-counter markets Exchange Act Section 16(b) protection, question of extending to **3:** 54; **5:** 29 Listed stocks' trading compared in over-the-counter markets **2:** 880 Margin status of compared to listed securities 4: 18-23 See Security credit Number traded on exchanges 2:817 Over-the-counter markets, in See Listed and unlisted securities in the over-the-counter markets Protection of investors in: See Investors in listed and unlisted securities, protection of; see also Banks; Insurance companies; Over-the-counter stocks Secondary distributions 1: 563, 564 exchanges' rules and procedures 1: 563, 564 NASD rules as to 1:564 Subscription service's recommendation of 1:365 "Unlisted trading privileges" on exchanges, categories of 2:809 Unregistered issues, volume of sale of 1: 566 Unregistered securities, distributions of 1: 560-570 Announcement of distribution, how made 1:567 "Boiler room" sales of in violation of the law 1:267 Broker-dealer control of sale of 1:299 Buy-and-sell orders on NYSE, crossing of 1:563

price at which sold 1:563

```
Unregistered securities, distributions of—Continued
    Commission information concerning, paucity of 1:564
    Difficulties in distributions and need of clarification 1:568
    Disclosure required 1: 562
        Special Study summary as to 1:569; 5:74
    Disclosure to customers 1: 566, 567
        registered distributions compared
                                          1:566
        secondary distribution speed as preventing 1:567
        transaction times of 80 distributions 1:567
    Exchange distributions 1:561
    Exempt securities issues 1:483
    Institutional investors as purchasers of 1:569
    No action letter 1:560
    Over-the-counter distributions 1: 563, 564
    Percentage of cash financing by, 1945-61
    Purchasers of unregistered issues 1:483
    Registered distinguished 1: 560, 5: 75
    Rule 10b-6, need to clarify 1: 569, 570
    Special offering plan 1:562
    Special Study conclusions and recommendations
                 1:568-570;5:73-75
        disclosure 1:569, 570; 5:74, 75
        institutional investors, role of 1:569; 5:74
        Rule 10b-6, need of clarification of 1:569, 570; 5:74, 75
        size of distributions 1:568; 5:73
    Types of unregistered distributions 1: 560-564
    "Unregistered distribution," need of definition of 1: 570; 5: 75
    Volume of 1: 564-566
         1961 common stock distributions 1:565
         1962 common stock distributions 1:565
        exchange distributions and special offerings 1:566
        listed securities 1:565
        secondary distributions
                                1: 565
        unlisted securities 1:566
"Vicinity" test
    Pittsburgh Stock Exchange application of
    Regional exchanges, as applied to 2:942
    SEC proposal to delete the test 2:812
Vilas Committee Report
    Block transactions in 2: 132
Volume of trading or transfer
    See also specific topics, this Index
    1961, at end of (table) 2: 969
    Bank loans: See Banks
    Dealer-to-public transaction ratio 2: 823, 824
    Distribution among various markets, 1961 2: 823-827, 969
    Dollar volume
         1959-61
                 1:484
        concentration and disparity of 2:826
        exchange-listed securities in over-the-counter markets,
           1941-61
                   2: 870
        expansion of market 1:28
        "fails to deliver" 1:417
```

```
369
       REPORT OF SPECIAL STUDY OF SECURITIES MARKETS
Volume of trading or transfer—Continued
    Dollar volume—Continued
        institutional investors: See Block transactions: Institutional;
          Institutional investors: March 1961 and April 1962 trans-
        intrastate exemption offerings 1: 571-573
        listed securities in over-the-counter markets
                 2: 870–874, 878, 881, 887, 888
             see Listed securities in over-the-counter markets
        median plice ranges 2:824
        New York Stock Exchange 1:11
        NYSE higher volume 2:826
        over-the-counter market, 1941-61, in exchange-listed securi-
           ties 2:870
        over-the-counter markets: See also Over-the-counter markets
                 1: 13; 2: 612, 714, 715, 718
         over-the-counter retail transactions 2:612
         Pacific Coast Stock Exchange 1: 11; 4: 591
         post-World War II expansion of 1:21
        ranges of 2:824-826
        real estate securities trading 1: 576, 584
        registered securities 1:483
        Regulation A issues, 1959-61 1: 484, 485
         secondary distributions, 1959-61 1: 483, 484
         securities holdings 1: 9, 482-486, 494; 2: 970
             See Securities
         securities sales, 1959-61 1:484
         statistical study of trading markets
         unregulated securities loans 4:32
         various stock exchanges compared 1: 11, 12
         wide differences 2:824
    Foreign participation in American securities markets 4:843
    Institutional investors' dollar volume, selected dates
                 2: 839, 849–851
    Listed range compared 2:824
    Listed securities in over-the-counter markets: See Listed securities
      in over-the-counter markets
    Market break period 4:832-836
         See Market break of May 1962
    NASD member firm transactions
    Nonpurpose loans 4:17
    NYSE minimum trading requirement 2:824
    Odd-lots on NYSE: See Odd-lot dealers on the New York Stock
       Exchange
    Off-floor trading 2: 242-246
         See Off-floor trading by NYSE members
    Over-the-counter markets
         See Over-the-counter markets: Over-the-counter securities
```

Post-World War II distributions 1:481 Regional exchange trading 2:912 Registered securities 1:483 Regulation A issues, dollar volume of, 1959-61 1:484 Round-lot transactions, commission schedule as factor in **2:** 311–324, 346

```
Volume of trading or transfer—Continued
    Secondary distributions, 1959-61, dollar volume of 1: 483, 484
    Secondary distributions of unregistered securities, 1961, 1962
                 1:565
    Securities outstanding: See Securities
    Share volume
        banks' listed securities transactions in over-the-counter mar-
           kets, using broker-dealers 2:884
        common stocks traded on NYSE 2: 37, 38
        floor trading 2:204
        high price stock days, concentration on 2:55, 56
        institutional investors' exchange market transactions 2:839
        institutional trading as percent of total on exchanges 2:839
        listed stocks in over-the-counter markets 2:875
        NYSE average reported, 1925-62 2: 428
        NYSE present and predicted volumes 1:424
        over-the-counter markets 2: 547, 612, 715
        over-the-counter markets, broker-dealer transactions
                 2: 718–720
        public individuals' holdings on NYSE 1: 389
        range of shares, each exchange or over-the-counter category
                 2: 823, 824
        range, over-the-counter markets, difficulty in determining
                 2: 823, 824
        specialists 2: 58, 63, 68, 85, 368-371
             See Specialists
    Short selling 2: 254
    Solely listed stocks on major regional exchanges 2:824
    Special Study Summary, trading markets 2: 834; 5: 132
    Specialists: See Specialists
    Stock-collateralized loans 4:17
    Unregistered secondary distributions, 1961, 1962
    Unregistered securities distributions 1:564-566
         See Unregistered securities
Volume of unregulated lending 4: 32
Warrants
    Underwriter's compensation, as 1:507,508
         restrictions on as to exercise 1:508
Washington (State)
    Salesmen of securities, registering 1: 132
Wharton School Mutual Fund Investor Survey 4: 100, 265-461
    See Mutual funds: Investors in, Wharton School Survey of
Wharton School Report
    Genesis, and scope of compared to Special Study scope 4: 100
    "Mutual Fund Investor Survey" distinguished 4: 100
    "Study of Mutual Funds," House Report 2274, 87th Cong., 2d
      session 4: 100
"Wooden order"
    Definition of 1:267
```

49