**Section 204.20 Regulations Under Subsection (a) of the Act**

a) Filing of Statements

Initial statements of beneficial ownership of equity securities required by subsection (a) of the Act shall be filed on Form 1, attached hereto (see exhibit A). Statements of changes in such beneficial ownership required by subsection (a) shall be filed on Form 2, attached hereto (see Exhibit b). All such statements shall be prepared and filed in accordance with the requirements of the applicable form.

b) Ownership of More Than 10 Percent of an Equity Security

In determining, for the purpose of subsection (a) of the Act whether a person is the beneficial owner, directly or indirectly, of more than 10 percent of any class of any equity security, such class shall be deemed to consist of the total amount of such class outstanding, exclusive of any securities of such class held by or for the account of the company or a subsidiary of the company; except that for the purpose of determining percentage ownership of voting trust certificates or certificates of deposit for equity securities, the class of voting trust certificates or certificates of deposit shall be deemed to consist of the amount of voting trust certificates or certificates of deposit issuable with respect to the total amount of outstanding equity securities of the class which may be deposited under the voting trust agreement or deposit agreement in question, whether or not all of such outstanding securities have been so deposited. For the purpose of this paragraph (b), a person acting in good faith may rely on the information contained in the latest Convention Form Statement filed with the Director with respect to the amount of securities of a class outstanding or in the case of voting trust certificates or certificates of deposit the amount thereof issuable.

c) Disclaimer of Beneficial Ownership

Any person filing a statement may expressly declare therein that the filing of such statement shall not be construed as an admission that such person is, for the purpose of the Act, the beneficial owner of any equity securities covered by the statement.

d) Exemptions from Subsections (a) and (b) of the Act

1) During the period of 12 months following their appointment and qualification, securities held by the following persons shall be exempt from subsections (a) and (b) of the Act:

A) Executors or administrators of the estate of a decedent;

B) Guardians or committees for an incompetent; and

C) Receivers, trustees in bankruptcy, assignees for the benefit of creditors, conservators, liquidating agents, and other similar persons duly authorized by law to administer the estate or assets of other persons.

2) After the 12-month period following their appointment or qualification the foregoing persons shall be required to file reports with respect to the securities held by the estates which they administer under subsection (a) of the Act and shall be liable for profits realized from trading in such securities pursuant to subsection (b) of the Act only when the estate being administered is a beneficial owner of more than 10 percent of any class of equity security of a company subject to the Act.

3) Securities reacquired by or for the account of a company and held by it for its account shall be exempt from subsections (d)(1) and (2) during the time they are held by the company.

e) Exemption from the Act of securities purchased or sold by odd-lot dealers

 Securities purchased or sold by an odd-lot dealer

1) in odd lots so far as reasonably necessary to carry on odd lot transactions or

2) in round lots to offset off-lot transactions previously or simultaneously executed or reasonably anticipated in the usual course of business.

 shall be exempt from the provisions of the Act with respect to participation by such odd-lot dealer in such transactions.

f) Certain transactions subject to subsection (a) of the Act

 The acquisition or disposition of any transferable option, put, call, spread or straddle shall be deemed such a change in the beneficial ownership of the security to which such privilege relates as to require the filing of a statement reflecting the acquisition or disposition of such privilege. Nothing in this paragraph, however, shall exempt any person from filing the statements required upon the exercise of such option, put, call, spread or straddle.

g) Ownership of securities held in trust

1) Beneficial ownership of a security for the purpose of subsection (a)(1) shall include:

A) the ownership of securities as a trustee where either the trustee or members of his immediate family have a vested interest in the income or corpus of the trust,

B) the ownership of a vested beneficial interest in a trust, and

C) the ownership of securities as a settlor of a trust in which the settlor has the power to revoke the trust without obtaining the consent of all the beneficiaries.

2) Except as provided in paragraph (3) hereof, beneficial ownership of securities solely as a settlor or beneficiary of a trust shall be exempt from the provisions of subsection (a) of the Act where less than twenty percent in market value of the securities having a readily ascertainable market value held by such trust, determined as of the end of the preceding fiscal year of the trust, consists of equity securities with respect to which reports would otherwise be required. Exemption is likewise accorded from subsection (a) of the Act with respect to any obligation which would otherwise be imposed solely by reasons of ownership as settlor or beneficiary of securities held in trust, where the ownership, acquisition, or disposition of such securities by the trust is made without prior approval by the settlor or beneficiary. No exemption pursuant to this subsection shall, however, be acquired or lost solely as a result of changes in the value of the trust assets during any fiscal year or during any time when there is no transaction by the trust in the securities otherwise subject to the reporting requirements of subsection (g)(a).

3) In the event that 10 percent of any class of any equity security of a company is held in a trust, that trust and the trustees thereof as such shall be deemed a person required to file the reports specified in subsection (a) of the Act.

4) Not more than one report need be filed to report any holdings or with respect to any transaction in securities held by a trust, regardless of the number of officers, directors or 10 percent stockholders who are either trustees, settlors, or beneficiaries of a trust, provided that the report filed shall disclose the names of all trustees, settlors and beneficiaries who are officers, directors or ten percent stockholders. A person having an interest only as a beneficiary of a trust shall not be required to file any such report so long as he relies in good faith upon an understanding that the trustee of such trust will file whatever reports might otherwise be required of such beneficiary.

5)

A) As used in this section the "immediate family" of a trustee means:

i) a son or daughter of the trustee, or a descendant of either,

ii) a stepson or stepdaughter of the trustee,

iii) the father or mother of the trustee, or an ancestor of either,

iv) a stepfather or stepmother of the trustee,

v) a spouse of the trustee.

B) For the purpose of determining whether any of the foregoing relations exists, a legally adopted child of a person shall be considered a child of such person by blood.

6) In determining, for the purposes of subsection (a) of the Act, whether a person is the beneficial owner, directly or indirectly, of more than 10 percent of any class of any equity security, the interest of such person in the remainder of a trust shall be excluded from the computation.

7) No report shall be required by any person, whether or not otherwise subject to the requirement of filing reports under subsection (a) of the Act with respect to his indirect interest in portfolio securities held by:

A) a pension or retirement plan holding securities of a company whose employees generally are the beneficiaries of the plan, or

B) a business trust with over 25 beneficiaries.

8) Nothing in this section shall be deemed to impose any duties or liabilities with respect to reporting any transaction or holding prior to its effective date.

h) Exemption for small transactions

1) Any acquisitions of securities shall be exempt from subsection (a) of the Act where

A) The person effecting the acquisition does not within six months thereafter effect any disposition, otherwise than by way of gift, of securities of the same class, and

B) The person effecting such acquisition does not participate in acquisitions or in dispositions of securities of the same class having a total market value in excess of $3,000 for any six months' period, during which the acquisition occurs.

2) Any acquisition or disposition of securities by way of gift, where the total amount of such gifts does not exceed $3,000 in market value for any six months' period, shall be exempt from subsection (a) of the Act and may be excluded from the computations prescribed in paragraph (1)(B) of this subsection (h).

3) Any person exempted by paragraph (1) or (2) of this subsection (h) shall include in the first report filed by him after a transaction within the exemption a statement showing his acquisitions and dispositions for each six months' period or portion thereof which has elapsed since his last filing.

i) Exemption from subsection (h)(2) of transactions which need not be reported under subsection (a) of the Act

 Any transaction which has been or shall be exempted from the requirements of subsection (a) shall, insofar as it is otherwise subject to the provisions of subsections (h)(2), be likewise exempted from subsection (b) of the Act.