

crotch. Unfold the garment as in Diagram 3. Measure the seat from L to M through K as shown.

(F) Thigh—measure from the bottom of the crotch (J) 1 inch down the inseam

to N as in Diagram 2. Unfold the garment and measure the thigh from the inseam at N to O as shown in Diagram 3.

(G) Ankle—measure the width of the end of the leg (P to Q), if intended to extend to the ankle, as in Diagram 3.

BILLING CODE 6355-01-P

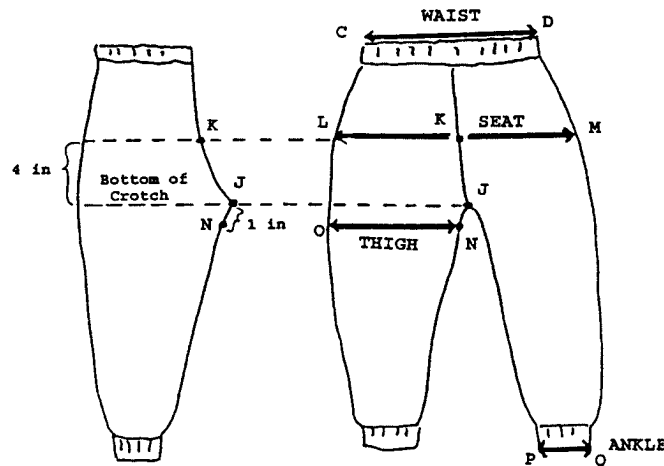


Diagram 2

Diagram 3

BILLING CODE 6355-01-C

\* \* \* \* \*

(3) Has sleeves which do not exceed the maximum dimension for the upper arm at any point between the upper arm and the wrist, and which diminish in width gradually from the top of the shoulder (point G in Diagram 1) to the wrist;

Dated: January 13, 1999

**Sadye E. Dunn,**

*Secretary, Consumer Product Safety Commission*

#### References

The following documents contain information relevant to this rulemaking proceeding and are available for inspection at the Office of the Secretary, Consumer Product Safety Commission, Room 502, 4330 East-West Highway, Bethesda, Maryland:

1. Memorandum from Margaret Neily, Project Manager, Directorate for Engineering, to the Commission, "Children's Sleepwear Flammability Standards—Technical and Enforcement Policy Amendments—Analysis of Public Comments and Proposed Final Rules," January 5, 1999.

2. Memorandum from Michael A. Greene, Ph.D., Directorate for Epidemiology and Health Sciences, "Update to the Proposed Technical Changes To Sleepwear Standard Briefing Package," December 18, 1998.

3. Memorandum from Margaret Neily, Project Manager, Directorate for Engineering, to File, "Analysis of Public Comments on Proposed Technical Amendments to the Children's Sleepwear Amendments," November 30, 1998.

4. Memorandum from Terrance R. Karels, Directorate for Economic Analysis, to Margaret Neily, ES, "Sleepwear Market," December 10, 1998.

5. Memorandum from Terrance R. Karels, Directorate for Economic Analysis, to Margaret Neily, ES, "Revisions to the Children's Sleepwear Amendments," December 10, 1998.

6. Memorandum from Carolyn Meiers, ESHF, to Margaret Neily, ES, "Response to Comments on Notice of Proposed Rulemaking Regarding Changes to the Amendments for Children's Sleepwear," December 3, 1998.

7. Memorandum from Linda Fansler, Division of Engineering, to Margaret L. Neily, ES, "Response to Comments on Technical Amendments to the Children's Sleepwear Standards," November 25, 1998.

8. Memorandum from Marilyn Borsari, Compliance Officer, to Margaret L. Neily, ES, "Clarification of sleeve taper/short sleeve garments and enforcement policy regarding sample size and tolerance," December 7, 1998.

9. Memorandum from Marilyn Borsari, Compliance Officer, to Margaret LO. Neily, Project Manager, "Clarification of Proposed

Clarification of Statement of Policy," December 7, 1998.

[FR Doc. 99-1138 Filed 1-15-99; 8:45 am]

BILLING CODE 6355-01-P

## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Parts 232, 240, and 249

[Release Nos. 34-40934; IC-23640. File No. S7-18-97]

RIN 3235-AG97

### Rulemaking for EDGAR System

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Final rule.

**SUMMARY:** The Securities and Exchange Commission ("Commission") is adopting amendments to require electronic filing of Form 13F by institutional investment managers through use of the Commission's Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system. After the compliance date, institutional investment managers must submit all filings of Form 13F reports by either direct transmission, magnetic tape, or

diskette, giving these reports the same degree of availability to the public as other electronic filings with the Commission.

**DATES:** *Effective Date:* February 18, 1999.

*Compliance Date:* April 1, 1999. Only those Form 13F reports (including amendments to previously filed reports) filed on or after April 1, 1999, must comply with the mandatory electronic filing requirements of Regulation S-T as amended. Beginning on the Effective Date and prior to the Compliance Date, institutional investment managers may submit Form 13F reports (including amendments to previously filed reports) either electronically (EDGAR submission type 13F-HR or 13F-NT, as appropriate), in paper on the form as amended, or electronically on Form 13F-E. As of the Compliance Date, filers may no longer submit reports on Form 13F-E, which is removed as of that date.

**FOR FURTHER INFORMATION CONTACT:** In the Division of Investment Management, for questions concerning the electronic filing of Form 13F reports, Ruth Armfield Sanders, Senior Counsel, or Bruce R. MacNeil, Staff Attorney, at (202) 942-0591; for questions concerning substantive Form 13F reporting requirements, Stephan N. Packs, Staff Attorney, at (202) 942-0660.

**SUPPLEMENTARY INFORMATION:** The Commission is adopting amendments to require mandatory electronic filing of Form 13F<sup>1</sup> by institutional investment managers in accordance with the Commission's rules implementing the EDGAR system.<sup>2</sup> The changes affect Regulation S-T; rules 13f-1 and 13f-2<sup>3</sup> under Section 13(f) of the Securities Exchange Act of 1934 (the "Exchange Act");<sup>4</sup> and Forms 13F and 13F-E<sup>5</sup> under the Exchange Act.

<sup>1</sup> 17 CFR 249.325.

<sup>2</sup> For a comprehensive discussion of the rules adopted by the Commission governing mandated electronic filing, see Release Nos. 33-6977 (Feb. 23, 1993) (58 FR 14628), IC-19284 (Feb. 23, 1993) (58 FR 14848), 35-25746 (Feb. 23, 1993) (58 FR 14999), and 33-6980 (Feb. 23, 1993) (58 FR 15009). See also Release No. 33-7072 (July 8, 1994) (59 FR 36258), relating to implementation of Financial Data Schedules; Release No. 33-7122 (Dec. 19, 1994) (59 FR 67752), making the EDGAR rules final and applicable to all domestic registrants and adopting minor amendments to the EDGAR rules; Release Nos. 33-7241 (Nov. 13, 1995) (60 FR 57682) and 33-7427 (July 1, 1997), adopting certain technical amendments to the EDGAR rules; and Release No. 33-7539 (May 19, 1998) (63 FR 29104) adopting an updated EDGAR Filer Manual, version 5.50 (the "EDGAR Filer Manual").

<sup>3</sup> 17 CFR 240.13f-1 and 240.13f-2.

<sup>4</sup> 15 U.S.C. 78m(f).

<sup>5</sup> 15 U.S.C. 78a *et seq.*

<sup>6</sup> 17 CFR 249.326.

## I. Background and Amendments

In February 1993, the Commission adopted Regulation S-T, governing electronic filing, and a number of amendments to its rules, schedules and forms, to implement the EDGAR system and require registrants whose filings are processed by the Division of Corporation Finance and the Division of Investment Management to submit most of their filings electronically. A graduated phase-in process to mandatory electronic filing began on April 26, 1993, and ended on May 6, 1996, when all filers became subject to mandatory electronic filing.

Regulation S-T designated most filings as mandatory electronically filings. However, the regulation designated some filings, such as Form 13F, as permitted but not mandated electronic filings.

The Commission has gained substantial experience with the EDGAR system and its implementing regulations since the first mandated filings were made in April 1993 and has decided to amend Regulation S-T to require Form 13F to be filed electronically. The public interest in having these reports, along with other filings, available electronically has increased, and the Commission believes that these reports should have the same degree of availability as other Commission filings.

### A. General

Form 13F reports are filed by institutional investment managers to report certain equity securities holdings of accounts over which they exercise investment discretion.<sup>7</sup> During phase-in to mandatory electronic filing, filers were not required to file Form 13F reports electronically. Institutional investment managers could file Form 13F reports electronically on Form 13F-E, the electronic version of Form 13F, on a voluntary basis.<sup>8</sup> After filer phase-in was completed, the Commission

<sup>7</sup> Section 13(f)(1) of the Exchange Act (15 U.S.C. 78m(f)(1)) requires any institutional investment manager exercising investment discretion over accounts holding at least \$100 million in fair market value of certain equity securities to file reports on Form 13F with the Commission at the times set forth in rule 13f-1 (17 CFR 240.13f-1).

<sup>8</sup> In the EDGAR Pilot system and following the opening of the operational EDGAR system, institutional investment managers could file Form 13F reports on Form 13F-E, under temporary rule 13f-2(T) (17 CFR 240.13f-2(T)), proposed in Release No. 34-23694 (Oct. 8, 1986) (51 FR 37291), adopted in Release No. 34-24206 (Mar. 12, 1987) (52 FR 9151), amended to govern the filing of Form 13F on operational EDGAR in Release No. IC-18664 (Apr. 20, 1992) (57 FR 18223), and made permanent with minor amendments in Release No. IC-19284. See former Rule 101(b)(7) of Regulation S-T (17 CFR 232.101(b)(7)).

proposed to make electronic filing of Form 13F mandatory.<sup>9</sup>

Unlike other EDGAR submissions, which are prepared and filed as "free text" documents, filers must prepare Form 13F-E reports as a structured file with a position-sensitive layout of data records.<sup>10</sup> To help ensure that filers use the specified structure, the Commission required filers to submit Form 13F-E reports by magnetic tape. Form 13F-E reports consisted of large numbers of similar data records, and magnetic tape filings provided an efficient means of standardizing the filing format and facilitating automated and accurate transfer and tabulation of the reported data.<sup>11</sup> The standardized format also was used by EDGAR, which performed some predissemination processing of the filings. Successful pre-dissemination processing<sup>12</sup> depended directly on the filer's compliance with the format requirements for the form.

Electronic filing of reports on Form 13F-E was optional because many filers did not have the ability to produce magnetic tape filings. Only about five percent of the approximately 2,000 filers of Form 13F chose to file the form electronically on Form 13F-E.

The Commission is aware of increasing interest in the electronic availability of reports on Form 13F.<sup>13</sup> For example, the Commission believes that investors would find the information contained in Form 13F filings useful in tracking institutional investor holdings in their investments and that issuers, too, would find detail as to institutional investor holdings useful because much of their

<sup>9</sup> See Release No. 34-38800 (July 1, 1997) (62 FR 36467) (the "Proposing Release").

<sup>10</sup> Instructions for filing Form 13F-E electronically appeared in the form and in the EDGAR Filer Manual.

<sup>11</sup> Section 13(f)(3) of the Exchange Act requires the Commission to tabulate the information reported under section 13(f)(1). Disclosure Inc., under contract with the Commission, tabulates the reported securities holdings both by the issuer of the securities being held (showing the portfolio manager whose clients hold the securities) and by reporting portfolio manager (showing the securities being held by each reporting portfolio manager). These tabulations are available in the Commission's public reference room in both hard copy and computerized (CD-ROM) form.

<sup>12</sup> Pre-dissemination processing of Form 13F-E included pagination, insertion of column headings on each page, and make-up of a cover page for the filing using data elements tagged by the filer.

<sup>13</sup> Only the Form 13F reports filed voluntarily through the EDGAR system on Form 13F-E were disseminated electronically and available on the Commission's internet web site, whereas other public disclosure filings, which filers must file electronically on EDGAR, are disseminated electronically and are available on the Commission's web site. The staff routinely receives telephone requests for information on how to find Form 13F reports on EDGAR.

shareholder list may reflect holdings in "street name" rather than beneficial ownership. Mandatory electronic dissemination of this data will help ensure timely and efficient dissemination of this important information. The Commission believes that these reports should have the same degree of availability as other filings with the Commission, and that electronic filing will speed their dissemination in accordance with the intent of Congress.<sup>14</sup> The legislative history of Section 13(f) states that

Because rapid dissemination of the institutional disclosure information to the public is a fundamental purpose of the bill, and rapid dissemination would be materially enhanced by submission of the information to the SEC in a computer processable form, the bill is drawn broadly enough to enable the SEC to adopt rules \* \* \* requiring submission of such information in computer processable form as well as in narrative form by all institutional disclosure respondents.<sup>15</sup>

Sixteen commenters submitted written comments on the rules proposals. Seven commenters were individuals; seven were institutional investment managers (or their counsel); one was an industry group representative; and one was an EDGAR service provider. Twelve of these commenters supported the proposals. The industry group representative did not object to the proposal but suggested that the Commission defer making mandatory the electronic filing of Form 13F reports until the anticipated modernization of EDGAR. The Commission believes, however, that the modernization of EDGAR is not likely to materially affect the electronic filing of Form 13F reports. Further, the Commission believes that the benefit to

the public of the improved efficiency of dissemination that would accompany electronic filing would outweigh any benefit to filers from such a deferral of mandatory electronic filing.

One institutional manager commented that it believed the proposals would benefit persons other than those originally intended. The commenter interpreted the original intent of the reporting requirement to be Commission oversight in regulating the markets, rather than public availability of the information. The legislative history, however, makes clear that Congress intended the information to be public.<sup>16</sup>

The Commission believes that there is wide support for the proposals and that the resulting electronic availability of Form 13F reports would benefit the investing public.<sup>17</sup> Further, adoption of the proposals would result in more uniform treatment of public filings made with the Commission by reporting entities and third-party filers. The legislative history supports the view that the Commission should make publicly filed Form 13F reports readily and quickly available to the public. Therefore, the Commission is now adopting rule amendments, substantially as proposed, to make the electronic filing of Form 13F reports mandatory and providing for the filing of these reports by direct transmission and diskette as well as by magnetic tape. The Commission is not applying the detailed formatting requirements of Form 13F-E to the mandatory electronic submission of Form 13F reports, a requirement which no commenter supported and to which seven commenters objected. Instead, consistent with the proposals, the Commission is requiring that filers prepare reports on Form 13F as they do other submissions made electronically on the EDGAR system.

Three commenters expressed the need for additional time for "phasing in" to mandatory electronic filing of the Form 13F reports, with two commenters suggesting a twelve-month transition. While the Commission believes that some transition time is appropriate, the Commission also believes that the electronic filing of Form 13F reports will not be complicated, since the electronic submission does not require detailed formatting. Therefore, the Commission is allowing filers the option of filing either electronically or in paper under the form as amended, or electronically on Form 13F-E, for the first quarter following the effective date of the rule amendments with electronic

filing becoming mandatory pursuant to Rules 14 and 101(a)(1)(iii) of Regulation S-T as of the next quarter.<sup>18</sup> This schedule will allow a sufficient transition period to mandatory electronic filing.

#### B. Changes to Rule 13f-1 and Form 13F

The Commission is amending rule 13f-1 to address the requirements for filing amendments to reports on Form 13F and is amending Form 13F, as described below.<sup>19</sup>

Institutional investment managers must continue to file in paper requests for confidential treatment<sup>20</sup> of Form 13F report information and the Form 13F report information for which confidential treatment is requested.<sup>21</sup> Upon denial of a confidential treatment request, or the expiration of confidential treatment previously granted, the filer is required to submit the Form 13F report electronically for public dissemination. Based on current estimates, each quarter, following the expiration of confidential treatment previously granted, approximately 50 managers would have to re-submit electronically the Form 13F report information that they previously submitted in paper in

<sup>18</sup> 17 CFR 232.14 and 232.101(a)(1)(iii). Rule 14 provides that the Commission will not accept in paper format any filing required to be submitted electronically, unless the filing satisfies the requirements for a temporary or continuing hardship exemption. See Release No. 33-7472 (Oct. 24, 1997) (62 FR 58647) (effective date Jan. 1, 1998).

<sup>19</sup> The revisions to Form 13F are designed to accommodate more easily the preparation of the form as an electronic filing. The Commission also is removing Form 13F-E and rule 13f-2 (17 CFR 240.13f-2), which governed the filing of Form 13F-E on EDGAR.

<sup>20</sup> Requests for confidential treatment are filed for reasons set forth in section 13(f)(3) of the Exchange Act (15 U.S.C. 78m(f)(3)). Instruction D of previous Form 13F refers to that section and provides instructions for requesting confidential treatment for securities held by the account of a natural person or an estate or trust (other than a business trust or investment company) and for securities subject to certain types of trading strategies. Instructions for Confidential Treatment Requests for revised Form 13F include the same provisions.

Confidential treatment requests can be granted only under certain limited circumstances. The staff recently specified procedures for requesting confidential treatment. See Letter to Section 13(f) Confidential Treatment Filers (pub. avail. June 17, 1998).

<sup>21</sup> This is consistent with the treatment of other requests for confidential treatment under the EDGAR system. See Rule 101(c)(1)(i) (17 CFR 232.101(c)(1)(i)).

A Manager filing confidential information should comply with the provisions of paragraph (b) of Exchange Act rule 24b-2 (17 CFR 240.24b-2) by including on the Summary Page of its public Form 13F report (after the Report Summary and prior to the List of Other Included Managers) a statement that confidential information has been omitted from the public Form 13F report and filed separately with the Commission. See Instructions for Confidential Treatment Requests for Form 13F. See also *infra* notes 25 and 26 and accompanying text.

<sup>14</sup> See, e.g., Senate Report No. 94-75, accompanying S. 249. In connection with the addition of Section 13(f) of the Exchange Act, that report states that "(o)ne of the important purposes of the bill would be dissemination of the institutional disclosure data to the public. Accordingly, except where confidential treatment is appropriate, the SEC would be required to tabulate the information in a manner which enhances its usefulness to other federal and state authorities and the public and to make the information contained therein conveniently available to the public for a reasonable fee." (Emphasis added.)

See also Joint Explanatory Statement of the Committee of Conference ("The Senate bill and the House amendment contained provisions requiring institutional investment managers which exercised investment discretion over accounts holding certain levels of specified securities to make periodic public disclosures of significant portfolio holdings and transactions." (Emphasis added.) and Release Nos. 34-13396 (Mar. 22, 1977) (42 FR 13396 (Mar. 30, 1977)) and 34-14852 (June 15, 1978) (43 FR 26700 (June 22, 1978)), proposing and adopting the filing and reporting requirements relating to institutional investment managers.

<sup>15</sup> Senate Report No. 94-75, accompanying S. 249. (Emphasis added.)

<sup>16</sup> See *supra* notes and 15.

<sup>17</sup> See *supra* note 13.

connection with their requests for confidential treatment.

## 1. Rule 13f-1

The Commission is revising rule 13f-1 by adding, as proposed, a new subparagraph governing the filing of amendments to Form 13F.<sup>22</sup> As proposed, the new paragraph would require that each amendment to a Form 13F report either restate the form in its entirety, as amended, or designate the amendment as containing only additions to the previous filed report. The rule amendments also would provide for the sequential numbering of amendments.

The Commission received only one comment on this proposed revision: one institutional investment manager believed that the sequential numbering of amendments was beneficial but objected to the requirement to restate in its entirety an amendment that was not solely to provide additional information. That commenter believed that restatement would be burdensome to large filers and potentially confusing to the investing public. The Commission has considered possible alternatives and believes that those alternatives offer greater possibility for confusion than the Commission's proposal because of the additional complexity that the alternatives would introduce. Moreover, the Commission anticipates that most filers will automate their report processing, having them available electronically, rendering the requirement to resubmit in its entirety an amended report not overly burdensome. Therefore, the Commission is requiring each amendment to a Form 13F report to either restate the form in its entirety, as amended, or designate the amendment as containing only additions to the previous filed report.

## 2. Form 13F

The revised Form 13F is being adopted as proposed. The revised Form 13F as adopted is in a three-part format, consisting of a Form 13F Cover Page (the "Cover Page"), a Form 13F Summary Page (the "Summary Page"), and a Form 13F Information Table (the "Information Table").<sup>23</sup> The contents of each of these parts, as well as the content of certain form instructions, are summarized below. One institutional manager strongly supported the inclusion of the Cover Page (with its designation of report as holdings, notice or combination report) and the Summary Page, noting that these

features were "beneficial to the public" and would "enhance the access to and usefulness of information reported on Form 13F."

- **Cover Page.** The Cover Page includes the information included in previous Form 13F, such as the period end date; the name and address of the institutional investment manager filing the report; the signature, name, title and phone number of the person signing the report; and, if applicable, a List of Other Managers Reporting for this Manager. The Cover Page also provides for identification of a filing that is an amendment; the inclusion of the Form 13F file number of the manager filing the report; and the designation of the report as one that names other reporting manager(s) reporting for the filer, reports holdings over which the reporting manager exercises discretion, or does both.<sup>24</sup>

- **Summary Page.** The Summary Page includes a List of Other Included Managers for which the filer is reporting<sup>25</sup> and a Report Summary. The Report Summary contains the Number of Other Included Managers, an Information Table Entry Total, and an Information Table Value Total.<sup>26</sup> These three items are designed to provide a useful and convenient summary of key information included elsewhere in the report and also provide a means for cross-checking to ensure that the report as accepted and disseminated is the complete report the institutional investment manager intended to file.

- **Information Table.** The Information Table calls for the same information as Items 1 through 8 of previous Form 13F.<sup>27</sup>

- **Certain Instructions.** General Instruction 3 for Form 13F states the requirement that the manager file copies of the form with the appropriate regulatory agency.<sup>28</sup> This instruction clarifies that the manager may satisfy its obligation to file with another regulatory agency by sending a printed copy of the EDGAR filing with the confidential EDGAR access codes (password and

password modification access code) removed or blanked out.

General Instruction 4 retains a reference to the Official List of Section 13(f) Securities (the "13F List").<sup>29</sup> The 13F List published by the Commission lists the securities the holdings of which the manager is to report on Form 13F. Form 13F filers may rely on the current 13F List in determining whether they need to report any particular securities holding. Paper copies are available for a fee from the Securities and Exchange Commission, Public Reference Room, 450 Fifth Street, NW, Washington, DC 20549.

Two commenters (the industry group representative and one institutional manager) suggested that the Commission make the 13F List available on its internet web site as well as in paper. The commenters suggested that web site availability of the 13F List would enable filers to facilitate the preparation of their Form 13F reports. The Commission is studying the feasibility of placing the 13F List on its web site.

Special Instruction 13 includes guidance on the preparation of Form 13F for electronic filing, addressing such topics as maximum line length, page tag requirements, and selection of EDGAR submission types. One commenter expressed concern that filers may encounter formatting problems in complying with the maximum line length requirement (i.e., no line in the Information Table may exceed 132 characters in length). Because this requirement is standard for all electronic documents currently filed with the Commission via the EDGAR system, including reports on current Form 13F-E, the Commission believes that filers can resolve any formatting problems prior to the mandatory electronic filing compliance date.

## C. Changes to Regulation S-T

Regulation S-T, which governs the preparation and submission of electronic filings to the Commission, is amended as described below in connection with the mandatory electronic submission of Form 13F:

- **Rule 101(a)(1)(iii) of Regulation S-T.** The Regulation S-T list of mandated electronic submissions is revised to remove the exclusion of Form 13F from the list of mandated electronic filings. Institutional investment managers must file Form 13F reports on and after the April 1, 1999, mandatory compliance date, in accordance with this rule and

<sup>22</sup> See paragraph (a)(2) of rule 13f-1 (17 CFR 240.13f-1(a)(1)).

<sup>23</sup> See Special Instruction 1 for Form 13F.

<sup>24</sup> See Special Instructions 3 through 6 for Form 13F.

<sup>25</sup> See Special Instruction 8 for Form 13F. The Commission is eliminating the previous requirement of Forms 13F and 13F-E that to list the other included managers alphabetically. The one institutional manager commenting supported this change.

<sup>26</sup> See Special Instruction 7 for Form 13F.

<sup>27</sup> See Special Instruction 12 for Form 13F. See *infra* footnote and accompanying text concerning a comment received on the contents of the Information Table.

<sup>28</sup> See General Instruction C for previous Form 13F.

<sup>29</sup> See General Instruction E for previous Form 13F and rule 13f-1(c) (17 CFR 240.13f-1(c)).

rule 14 of Regulation S-T governing mandatory electronic submissions.

• *Rule 101(b)(7) of Regulation S-T.* This paragraph is removed as of the Compliance Date, since Form 13F reports will fall within the provisions of rule 101(a)(1)(iii). After the Compliance Date, a manager may not submit reports on Form 13F-E.

#### D. Comments Received

The Commission requested comment generally on its proposal to make the electronic submission of reports on Form 13F mandatory. Additional comments received by the Commission are discussed below.

Six individual commenters believed that managers should submit Form 13F reports more frequently and on a more timely basis, e.g., within five days of the end of each month. Section 13(f)(1), however, limits the Form 13F reporting period: "in no event shall such reports be filed for periods longer than one year or shorter than one quarter." The industry group representative, noting that the Commission had not proposed any change to the required frequency or deadlines for filing Form 13F reports, stated that the current filing deadlines remain appropriate. It believed that, even with automated processing of the Form 13F reports, including electronic availability of the 13F List, filers would still need sufficient time to compile and file the reports with the Commission, a sentiment echoed by at least one other commenter. One institutional manager commenter objected to the manner of reporting investment discretion in the Information Table.<sup>30</sup>

The Commission did not propose to change Form 13F substantive reporting requirements in connection with making the electronic filing of this report mandatory. Therefore, the Commission is deferring consideration of the above comments until the substantive requirements of Form 13F become the subject of rulemaking.

## II. Dates

The rule and form amendments are effective on February 18, 1999 (the "Effective Date"). Only those Form 13F reports (including amendments to previously filed reports) filed on and after April 1, 1999 (the "Compliance Date"), must comply with rules 14 and 101(a)(1)(iii) of Regulation S-T.<sup>31</sup> Beginning on the Effective Date and

prior to the Compliance Date, institutional investment managers may submit Form 13F reports (including amendments to previously filed reports) either electronically (EDGAR submission type 13F-HR or 13F-NT, as appropriate), in paper on the form as amended, or electronically on Form 13F-E. As of the Compliance Date, institutional investment managers may no longer submit reports on Form 13F-E, since Form 13F-E is removed as of the Compliance Date.

## III. Cost-Benefit Analysis

To assist the Commission in its evaluation of the costs and benefits that may result from the proposed changes contained in this release, commenters were requested to provide their views and data relating to any costs and benefits associated with these proposals. The Commission anticipated that these proposals would not affect significantly the costs and burdens associated with filing requirements generally, or specifically with respect to electronic filing.

The Commission received only two comments in response. One institutional manager commented that, while it recognized that the proposals would make Form 13F reports available more quickly, it believed that the costs outweighed the benefits, estimating that electronic filing would require a substantial investment of time and resources and that the benefits would be incremental and accrue only to select groups of investors who use the material. Another institutional manager also believed that the costs outweighed the benefits, in light of its expressed belief that the original intent of the reporting requirement was Commission oversight, not public availability of the information.<sup>32</sup>

Because, as of the end of the Proposing Release's notice and comment period, only two commenters had responded concerning the potential costs of the proposal, the Commission staff determined that it was appropriate to obtain additional cost-benefit information. Therefore, the staff contacted a limited number of other Form 13F report filers to obtain their input on the estimated costs to convert to filing Form 13F reports electronically as proposed.

The staff contacted a total of nine Form 13F report filers, some from each of the following three categories: (1) Filers who currently file Form 13F-E reports on EDGAR by magnetic tape; (2) filers who file Form 13F reports in

paper but who make other EDGAR filings; and (3) filers who file Form 13F reports in paper and either (a) make no EDGAR filings or (b) make only Form 13D and/or Form 13G EDGAR filings. The staff asked filers for their estimated costs to file Form 13F reports electronically in accordance with the proposals and whether these costs would be greater than their current costs. If the costs were greater, the staff requested the respondent to distinguish between start-up costs and recurring costs. Finally, the staff asked whether filers envisioned any benefits from filing Form 13F reports electronically in accordance with the proposals.

Six filers provided information on compliance costs. Three filers responded that they would incur no additional cost. One said that its outside service provider would charge no additional fee for filing Form 13F reports on EDGAR when Form 13F reports became mandatory electronic filings. Two other filers expected to convert their existing programs to EDGAR format without additional costs because they could reassign personnel working on the paper filing to the electronic filing.

Two filers anticipated modest cost increases. These filers expected to incur costs of between \$50 to \$300 to convert to EDGAR filing as proposed. One filer estimated that a one-time additional cost would result from purchasing EDGAR software and manuals from the Commission. Another filer estimated a cost of approximately \$265; this estimate included a one-time cost of \$65 to upgrade current computer equipment for assembling the Form 13F report and an annual recurring cost of \$800 to be paid to their outside service provider.

Finally, one filer expected to incur additional one-time costs of \$18,000 to reprogram the filer's computer system to convert to electronic filing. The filer's ongoing cost for estimated additional personnel hours was approximately \$16,000 per year based on four quarterly filings. This filer also envisioned a benefit because it believed that the proposed Form 13F report would be easier both to format and to file than the current form.

Among the benefits filers envisioned were less time needed to proofread the paper Form 13F report and the ability to file via a modem rather than having to send either a tape or a paper filing to the Commission.

The Commission recognizes that there are some costs associated with the transition to electronic filing. For example, the Commission estimates an additional per year cost of \$10,800 for all filers in the aggregate due to the

<sup>30</sup> Neither this nor any other information to be presented in the Information Table differs from that previously required in Form 13F reports.

<sup>31</sup> As with its other rules, the Commission will use any appropriate means, including its authority to bring legal actions, to enforce the electronic filing rules. See *supra* note 18.

<sup>32</sup> See *supra* notes 14 and 15 and accompanying text.

additional requirement of a cover page and summary page containing certain *de minimis* additional reporting information<sup>33</sup> and an additional per year cost of \$3,000 for all of 50 managers in the aggregate re-submitting information previously filed.<sup>34</sup> The Commission estimates that the aggregate one-time cost for upgrading computer equipment and software will range between \$30 and \$18,000 per filer.

Given the Commission's filing experience under the EDGAR system to date, including submissions made by third-party filers, the results of the staff's informal cost survey, and the Commission's additional cost estimates, the Commission believes that any associated costs are justified by the benefits to the investing public. The amendments should benefit the investing public by making Form 13F reports, in general, quickly available electronically and therefore increasing the public's knowledge of and timely access to the Form 13F report information.

In compliance with its responsibilities under section 23(a) of the Exchange Act,<sup>35</sup> the Commission requested comment on whether the proposals, if adopted, would have an adverse effect upon competition that is neither necessary nor appropriate in furthering the purposes of the Exchange Act. The Commission encouraged commenters to provide empirical data or other facts to support their views. The Commission received no comments in response to the above request. The Commission has considered the amendments to rule 13f-1, Form 13F and related rules in light of the standards cited in section 23(a) and believes that the amendments and rules do not impose any burdens on competition not necessary or appropriate in furtherance of the Exchange Act. The Commission's belief is based on the benefits of the amendments described throughout this release, including, most particularly, enhanced public access to information reported on Form 13F.

#### IV. Certain Findings

In accordance with the requirements of section 13(f)(4) of the Exchange Act, the Commission has determined that the actions taken by the Commission herein are necessary or appropriate in the public interest and for the protection of investors or to maintain fair and orderly markets.<sup>36</sup> After a filer's initial conversion to electronic filing, the cost

of electronic filing should be negligible. Thus, the amendments should not result in a material change in capital raising or regulatory compliance costs. Since the information on Form 13F is useful to both investors and issuers and the amendments will increase the amount of such information available on a timely basis to issuers and the investing public, the amendments are appropriate in the public interest and for the protection of investors.

In compliance with its responsibilities under section 2(b) of the Securities Act<sup>37</sup> and section 3(f) of the Exchange Act,<sup>38</sup> the Commission requested comment on whether the proposals, if adopted, would promote efficiency, competition, and capital formation. The Commission encouraged commenters to provide empirical data or other facts to support their views. The Commission received no comments in response to the above request. In compliance with its responsibilities under the previously mentioned provisions, the Commission considered whether the amendments would promote efficiency, competition and capital formation.

#### V. Summary of Regulatory Flexibility Act Certification

Pursuant to section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Chairman of the Commission has certified that the amendments in this release would not have a significant economic effect on a substantial number of small entities. Institutional investment managers are not required to submit reports on Form 13F unless equity holdings over which they exercise discretion are in aggregate at least \$100,000,000. Therefore, few if any small entities within the definition contained in rule 0-10 under the Exchange Act are affected by the form, and few if any small entities are otherwise affected by the rule amendments. The certification documenting its factual basis was included as Appendix A to the Proposing Release.

#### VI. Paperwork Reduction Act

Certain provisions of the amendments to Form 13F contain "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501, *et seq.*) ("PRA"). The Commission submitted the collection of information requirements contained in the rule amendments to the Office of Management and Budget ("OMB") for review pursuant to 44 U.S.C. 3507(d)

and 5 CFR 1320.11 and the collection of information is in accordance with the requirements of 44 U.S.C. 3507. The title for the collection of information is "Form 13F, Report of Institutional Investment Managers pursuant to section 13(f) of the Securities Exchange Act of 1934." The OMB approved the PRA request and assigned a control number of 3235-0006 with an expiration date of October 31, 2000.<sup>39</sup> Unless a currently valid OMB control number is displayed, an agency may not sponsor or conduct, or require response to, an information collection.

Section 13(f) of the Exchange Act requires the Commission to adopt rules that would create a reporting and disclosure system to collect specific information and to disseminate the information to the public. Pursuant to this statutory mandate, the Commission adopted rule 13f-1 under the Exchange Act (17 CFR 240.13f-1), which requires institutional investment managers who exercise investment discretion over accounts of certain equity securities described in section 13(d)(1) of the Exchange Act<sup>40</sup> (generally, exchange traded or NASDAQ-quoted securities) having, in the aggregate, a fair market value of at least \$100,000,000 to file quarterly reports with the Commission on Form 13F. Form 13F provides a reporting and disclosure system to collect specific information and to disseminate the information to the public about the holdings of those institutional investment managers subject to rule 13f-1.

At the time of the Proposing Release, the Commission estimated that approximately 1,800 institutional investment managers were subject to the rule.<sup>41</sup> These included such institutional investment managers as certain mutual funds, pension funds, trusts, hedge funds, and investment advisers. Each reporting manager files a Form 13F report quarterly. The Commission estimated that each quarter, following the expiration of grants of confidential treatment, approximately 50 managers will need to re-submit electronically for public dissemination information previously submitted in paper as confidential. The Commission estimated that compliance with the form's requirements will impose a total annual burden per manager of approximately 98.8 hours for each of the approximately

<sup>39</sup> The proposing release contained an arithmetic mistake in the statement of total average annual burden hours (177,894 as printed; 178,435.2 correct). The correct figure appeared in the PRA submission to OMB and appears in this release.

<sup>40</sup> 15 U.S.C. 78m(d)(1).

<sup>41</sup> The current estimate is higher, approximately 2,000.

<sup>33</sup> See *infra* note 42.

<sup>34</sup> See *infra* Section VI.

<sup>35</sup> 15 U.S.C. 78w(a).

<sup>36</sup> 15 U.S.C. 78m(f)(4).

<sup>37</sup> 15 U.S.C. 77b(b).

<sup>38</sup> 15 U.S.C. 78c(f).

1,800 managers submitting the report (an increase of .1 hours per quarter per manager due to the additional requirement of a cover page and summary page containing certain *de minimis* additional reporting information<sup>42</sup>) plus an additional annual burden of 4 hours (one additional burden hour per quarter) for each of the 50 managers re-submitting information previously filed. The Commission estimated the total annual burden for all managers at 178,435.2 hours. The estimate of average burden hours was made solely for the purposes of the PRA and was based on the Commission's experience with similar filings and discussions with a few registrants.

The Form 13F contains no separate retention period rule for recordkeeping requirements but is subject to the general recordkeeping requirements under Regulation S-T and the Exchange Act rules. Each institutional investment manager subject to the rule must file a Form 13F report. Section 13(f)(3) of the Exchange Act<sup>43</sup> authorizes the Commission, as it determines necessary or appropriate in the public interest or for the protection of investors, to delay or prevent public disclosure of any information filed under section 13(f) in accordance with the Freedom of Information Act.<sup>44</sup> It also prohibits the Commission from disclosing to the public any information that identifies securities held by the account of a natural person or any estate or trust (other than a business trust or investment company).

Pursuant to 44 U.S.C. 3506(c)(2)(B), the Commission solicited comment to (i) evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (ii) evaluate the accuracy of the agency's estimate of the burden of the proposed collections of information; (iii) enhance the quality, utility, and clarity of the information to be collected; and (iv) minimize the burden of collection of information on those who are to respond, including through the use of

automated collection techniques or other forms of information technology. The Commission received comments concerning a means of minimizing the burden of reporting the collected information through the use of automated techniques. Two commenters suggested that the Commission make the official list of Form 13F Securities ("13F List") available electronically through its World Wide Web internet site to facilitate the filers' preparation of their Form 13F reports. The Commission agrees that providing the list electronically in this way would reduce the burden of report preparation for some filers; this effect would be the same under both the previous filing requirements as well as under the requirements as proposed and adopted. The Commission is studying the feasibility of placement of the Official List on its web site.

## VII. Statutory Basis

The foregoing amendments are adopted pursuant to sections 3, 12, 13, 14, 15(d), 23(a) and 35A of the Exchange Act.

### List of Subjects in 17 CFR Parts 232, 240, and 249

Confidential business information, Reporting and recordkeeping requirements, Securities.

### Text of the Amendments

In accordance with the foregoing, Title 17, Chapter II of the Code of Federal Regulations is amended as follows:

## PART 232—REGULATION S-T—GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS

1. The authority citation for part 232 continues to read as follows:

**Authority:** 15 U.S.C 77f, 77g, 77h, 77j, 77s(a), 77sss(a), 78c(b), 78l, 78m, 78n, 78o(d), 78w(a), 78ll(d), 79t(a), 80a-8, 80a-29, 80a-30 and 80a-37.

2. By amending § 232.101 by revising paragraph (a)(1)(iii) before the note and by removing paragraph (b)(7) and redesignating paragraph (b)(8) as (b)(7), to read as follows:

### § 232.101 Mandated electronic submissions and exceptions.

(a) *Mandated electronic submissions.*  
(1) \* \* \*

(iii) Statements, reports and schedules filed with the Commission pursuant to section 13, 14, or 15(d) of the Exchange Act (15 U.S.C. 78m, 78n, and 78o(d)), and proxy materials required to be furnished for the information of the Commission in connection with annual

reports on Form 10-K (§ 249.310 of this chapter) or Form 10-KSB (§ 249.310b of this chapter) filed pursuant to section 15(d) of the Exchange Act;

\* \* \* \* \*

## PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

3. The authority citation for part 240 continues to read in part as follows:

**Authority:** 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78f, 78i, 78j, 78j-1, 78k, 78k-1, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78u-5, 78w, 78x, 78ll(d), 78mm, 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4 and 80b-11, unless otherwise noted.

\* \* \* \* \*

4. By amending § 240.13f-1 by redesignating paragraph (a) as paragraph (a)(1) and by adding paragraph (a)(2) to read as follows:

**§ 240.13f-1 Reporting by institutional investment managers of information with respect to accounts over which they exercise investment discretion.**

(a)(1) \* \* \*

(2) An amendment to a Form 13F (§ 249.325 of this chapter) report, other than one reporting only holdings that were not previously reported in a public filing for the same period, must set forth the complete text of the Form 13F. Amendments must be numbered sequentially.

\* \* \* \* \*

### § 240.13f-2 [Removed]

5. Section 240.13f-2 is removed.

## PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

6. The authority citation for Part 249 continues to read, in part, as follows:

**Authority:** 15 U.S.C. 78a, *et seq.*, unless otherwise noted;

7. By revising Form 13F (referenced in § 249.325) to read as follows:

**Note:** The text of the following form does not and the amendments will not appear in the Code of Federal Regulations.

### OMB APPROVAL

OMB Number: 3235-0006

Expires: October 31, 2000

Estimated average burden hours per response: 24.7

### Form 13F—Information Required of Institutional Investment Managers Pursuant to Section 13(f) of the Securities Exchange Act of 1934 and Rules Thereunder

#### General Instructions

1. *Rule as to Use of Form 13F.* Institutional investment managers ("Managers") must use Form 13F for reports to the Commission required by Section 13(f) of the Securities

<sup>42</sup> The additional requirements are not complex. The cover page adds the requirements of identification of an amendment filing; the inclusion of the Form 13F file number of the manager filing the report; and the designation of the report as one that names other reporting manager(s) reporting for the filer, reports holdings over which the reporting manager exercises discretion, or both. The summary page adds a Report Summary, containing the Number of Other Included Managers, an Information Table Entry Total, and an Information Table Value Total.

<sup>43</sup> 15 U.S.C. 78m(f)(3).

<sup>44</sup> 5 U.S.C. 552.



Exchange Act of 1934 [15 U.S.C. 78m(f)] ("Exchange Act") and rule 13f-1 [17 CFR 240.13f-1] thereunder. Rule 13f-1(a) provides that every Manager which exercises investment discretion with respect to accounts holding Section 13(f) securities, as defined in rule 13f-1(c), having an aggregate fair market value on the last trading day of any month of any calendar year of at least \$100,000,000 shall file a report on Form 13F with the Commission within 45 days after the last day of such calendar year and within 45 days after the last day of each of the first three calendar quarters of the subsequent calendar year.

**2. Rules to Prevent Duplicative Reporting.** If two or more Managers, each of which is required by rule 13f-1 to file a report on Form 13F for the reporting period, exercise investment discretion with respect to the same securities, only one such Manager must include information regarding such securities in its reports on Form 13F.

A Manager having securities over which it exercises investment discretion that are reported by another Manager (or Managers) must identify the Manager(s) reporting on its behalf in the manner described in Special Instruction 6.

A Manager reporting holdings subject to shared investment discretion must identify the other Manager(s) with respect to which the filing is made in the manner described in Special Instruction 8.

**3. Filing of Form 13F.** A Manager must file a Form 13F report with the Commission within 45 days after the end of each calendar year and each of the first three calendar quarters of each calendar year. As required by Section 13(f)(4) of the Exchange Act, a Manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, must file with the appropriate regulatory agency for the bank a copy of every Form 13F report filed with the Commission pursuant to this subsection by or with respect to such bank. Filers who file Form 13F electronically can satisfy their obligation to file with other regulatory agencies by sending (a) a paper copy of the EDGAR filing (provided the Manager removes or blanks out the confidential access codes); (b) the filing in electronic format, if the regulatory agency with which the filing is being made has made provisions to receive filings in electronic format; or (c) for filers filing in paper format under continuing hardship exemptions, a copy of the Form 13F paper filing.

**4. Official List of Section 13(f) Securities.** The official list of Section 13(f) Securities published by the Commission (the "13F List") lists the securities the holdings of which a Manager is to report on Form 13F. See rule 13f-1(c) [17 CFR 240.13f-1(c)]. Form 13F filers may rely on the current 13F List in determining whether they need to report any particular securities holding. Paper copies are available at a reasonable fee from the Securities and Exchange Commission, Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549.

#### Instructions for Confidential Treatment Requests

Pursuant to Section 13(f)(3) of the Exchange Act [15 U.S.C. 78m(f)(3)], the

Commission (1) may prevent or delay public disclosure of information reported on this form in accordance with Section 552 of Title 5 of the United States Code, the Freedom of Information Act [5 U.S.C. 552], and (2) shall not disclose information reported on this form identifying securities held by the account of a natural person or an estate or trust (other than a business trust or investment company). A Manager must submit in accordance with the procedures for requesting confidential treatment any portion of a report which contains information identifying securities held by the account of a natural person or an estate or trust (other than a business trust or investment company).

A Manager should make requests for confidential treatment of information reported on this form in accordance with rule 24b-2 under the Exchange Act [17 CFR 240.24b-2]. Requests relating to the non-disclosure of information identifying the securities held by the account of a natural person or an estate or trust (other than a business trust or investment company) must so state but need not, in complying with paragraph (b)(2)(ii) of rule 24b-2, include an analysis of any applicable exemptions from disclosure under the Commission's rules and regulations adopted under the Freedom of Information Act [17 CFR 200.80].

Paragraph (b) of rule 24b-2 requires a Manager filing confidential information with the Commission to indicate at the appropriate place in the public filing that the confidential portion has been so omitted and filed separately with the Commission. A Manager should comply with this provision by including on the Summary Page, after the Report Summary and prior to the List of Other Included Managers, a statement that confidential information has been omitted from the public Form 13F report and filed separately with the Commission.

A Manager must file in paper, in accordance with rule 101(c)(1)(i) of Regulation S-T [17 CFR 232.101(c)(1)(i)], all requests for and information subject to the request for confidential treatment filed pursuant to Section 13(f)(3) of the Exchange Act. If a Manager requests confidential treatment with respect to information required to be reported on Form 13F, the Manager must file in paper with the Secretary of the Commission an original and four copies of the Form 13F reporting information for which the Manager requests confidential treatment.

A Manager requesting confidential treatment must provide enough factual support for its request to enable the Commission to make an informed judgment as to the merits of the request. The request should address all pertinent factors, including all of the following that are relevant:

1. If confidential treatment is requested as to more than one holding of securities, discuss each holding separately unless the Manager can identify a class or classes of holdings as to which the nature of the factual circumstances and the legal analysis are substantially the same.

2. If a request for confidential treatment is based upon a claim that the subject

information is confidential, commercial or financial information, provide the information required by paragraphs 2.a through 2.e of this Instruction except that, if the subject information concerns security holdings that represent open risk arbitrage positions and no previous requests for confidential treatment of those holdings have been made, the Manager need provide only the information required in paragraph 2.f.

a. Describe the investment strategy being followed with respect to the relevant securities holdings, including the extent of any program of acquisition and disposition (note that the term "investment strategy," as used in this instruction, also includes activities such as block positioning).

b. Explain why public disclosure of the securities would, in fact, be likely to reveal the investment strategy; consider this matter in light of the specific reporting requirements of Form 13F (e.g., securities holdings are reported only quarterly and may be aggregated in many cases).

c. Demonstrate that such revelation of an investment strategy would be premature; indicate whether the Manager was engaged in a program of acquisition or disposition of the security both at the end of the quarter and at the time of the filing; and address whether the existence of such a program may otherwise be known to the public.

d. Demonstrate that failure to grant the request for confidential treatment would be likely to cause substantial harm to the Manager's competitive position; show what use competitors could make of the information and how harm to the Manager could ensue.

e. State the period of time for which confidential treatment of the securities holdings is requested. The time period specified may not exceed one (1) year from the date that the Manager is required to file the Form 13F report with the Commission.

f. For securities holdings that represent open risk arbitrage positions, the request must include good faith representations that:

i. The securities holding represents a risk arbitrage position open on the last day of the period for which the Form 13F report is filed; and

ii. The reporting Manager has a reasonable belief as of the period end that it may not close the entire position on or before the date that the Manager is required to file the Form 13F report with the Commission.

If the Manager makes these representations in writing at the time that the Form 13F is filed, the Commission will automatically accord the subject securities holdings confidential treatment for a period of up to one (1) year from the date that the Manager is required to file the Form 13F report with the Commission.

g. At the expiration of the period for which confidential treatment has been granted pursuant to paragraph 2.3 or 2.f of this Instruction (the "Expiration Date"), the Commission, without additional notice to the reporting manager, will make such security holdings public unless a *de novo* request for confidential treatment of the information that meets the requirements of paragraphs 2.a through 2.e of this Instruction is filed with the Commission at least fourteen (14) days in advance of the Expiration Date.



3. If the Commission grants a request for confidential treatment, it may delete details which would identify the Manager and use the information in tabulations required by Section 13(f)(3) absent a separate showing that such use of information could be harmful.

4. Upon the denial by the Commission of a request for confidential treatment, or upon the expiration of the confidential treatment previously granted for a filing, unless a hardship exemption is available, the Manager must submit electronically, within six (6) business days of the expiration or notification of the denial, as applicable, a Form 13F report, or an amendment to its publicly filed Form 13F report, if applicable, listing those holdings as to which the Commission denied confidential treatment or for which confidential treatment has expired. If a Manager files an amendment, the amendment must not be a restatement; the Manager must designate it as an amendment which adds new holdings entries. The Manager must include at the top of the Form 13F Cover Page the following legend to correctly designate the type of filing being made:

THIS FILING LISTS SECURITIES  
HOLDINGS REPORTED ON THE Form 13F  
FILED ON (DATE) PURSUANT TO A  
REQUEST FOR CONFIDENTIAL  
TREATMENT AND FOR WHICH (THAT  
REQUEST WAS DENIED/CONFIDENTIAL  
TREATMENT EXPIRED) ON (DATE).

#### Special Instructions

1. This form consists of three parts: the Form 13F Cover Page (the "Cover Page"), the Form 13F Summary Page (the "Summary Page"), and the Form 13F Information Table (the "Information Table").

2. When preparing the report, omit all bracketed text. Include brackets used to form check boxes.

#### The Cover Page

3. The period end date used in the report (and in the EDGAR submission header) is the last day of the calendar year or quarter, as appropriate, even though that date may not be the same as the date used for valuation in accordance with Special Instruction 9.

4. Amendments to a Form 13F report must either restate the Form 13F report in its entirety or include only holdings entries that are being reported in addition to those already reported in a current public Form 13F report for the same period. If the Manager is filing the Form 13F report as an amendment, then, the Manager must check the amendment box on the Cover Page; enter the amendment number; and check the appropriate box to indicate whether the amendment (a) is a restatement or (b) adds new holdings entries. Each amendment must include a complete Cover Page and, if applicable, a Summary Page and Information Table. See rule 13f-1(a)(2) [17 CFR 240.13f-1(a)(2)].

5. Present the Cover Page and the Summary Page information in the format and order provided in the form. The Cover Page may include information in addition to the required information, so long as the additional information does not, either by its

nature, quantity, or manner of presentation, impede the understanding or presentation of the required information. Place all additional information after the signature of the person signing the report (immediately preceding the Report Type section). Do not include any additional information on the Summary Page or in the Information Table.

6. Designate the Report Type for the Form 13F report by checking the appropriate box in the Report Type section of the Cover Page, and include, where applicable, the List of Other Managers Reporting for this Manager (on the Cover Page), the Summary Page and the Information Table, as follows:

a. If all of the securities with respect to which a Manager has investment discretion are reported by another Manager (or Managers), check the box for Report Type "13F NOTICE," include (on the Cover Page) the List of Other Managers Reporting for this Manager, and omit both the Summary Page and the Information Table.

b. If all of the securities with respect to which a Manager has investment discretion are reported in this report, check the box for Report Type "13F HOLDINGS REPORT," omit from the Cover Page the List of Other Managers Reporting for this Manager, and include both the Summary Page and the Information Table.

c. If only part of the securities with respect to which a Manager has investment discretion is reported by another Manager (or Managers), check the box for Report Type "13F COMBINATION REPORT," include (on the Cover Page) the List of Other Managers Reporting for this Manager, and include both the Summary Page and the Information Table.

#### Summary Page

7. Include on the Summary Page the Report Summary, containing the Number of Other Included Managers, the Information Table Entry Total and the Information Table Value Total.

a. Enter as the Number of Other Included Managers the total number of other Managers listed in the List of Other Included Managers on the Summary Page, not counting the Manager filing this report. See Special Instruction 8. If none, enter the number zero ("0").

b. Enter as the Information Table Entry Total the total number of line entries providing holdings information included in the Information Table.

c. Enter as the Information Table Value Total the aggregate fair market value of all holdings reported in this report, *i.e.*, the total for Column 4 (Fair Market Value) of all line entries in the Information Table. The Manager must express this total as a rounded figure, corresponding to the individual Column 4 entries in the Information Table. See Special Instruction 9.

8. Include on the Summary Page the List of Other Included Managers. Use the title, column headings and format provided.

a. If this Form 13F report does not report the holdings of any Manager other than the Manager filing this report, enter the word "NONE" under the title and omit the column headings and list entries.

b. If this Form 13F report reports the holdings of one or more Managers other than

the Manager filing this report, enter in the List of Other Included Managers all such Managers together with their respective Form 13F file numbers, if known. (The Form 13F file numbers are assigned to Managers when they file their first Form 13F.) Assign a number to each Manager in the List of Other Included Managers, and present the list in sequential order. The numbers need not be consecutive. The List of Other Managers must include all other Managers identified in Column 7 of the Information Table. Do not include the Manager filing this report.

#### Information Table

9. In determining fair market value, use the value at the close of trading on the last trading day of the calendar year or quarter, as appropriate. Enter values rounded to the nearest one thousand dollars (with "000" omitted).

10. A Manager may omit holdings otherwise reportable if the Manager holds, on the period end date, fewer than 10,000 shares (or less than \$200,000 principal amount in the case of convertible debt securities) and less than \$200,000 aggregate fair market value (and option holdings to purchase only such amounts).

11. A Manager must report holdings of options only if the options themselves are Section 13(f) securities. For purposes of the \$100,000,000 reporting threshold, the Manager should consider only the value of such options, not the value of the underlying shares. The Manager must give the entries in Columns 1 through 5 and in Columns 7 and 8 of the Information Table, however, in terms of the securities underlying the options, not the options themselves. The Manager must answer Column 6 in terms of the discretion to exercise the option. The Manager must make a separate segregation in respect of securities underlying options for entries for each of the columns, coupled with a designation "PUT" or "CALL" following such segregated entries in Column 5, referring to securities subject respectively to put and call options. A Manager is not required to provide an entry in Column 8 for securities subject to reported call options.

12. Furnish the Information Table using the table title, column headings and format provided. Provide column headings once at the beginning of the Information Table; repetition of column headings on subsequent pages is not required. Present the table in accordance with the column instructions provided in Special Instructions 12.b.i through 12.b.viii. Do not include any additional information in the Information Table. Begin the Information Table on a new page; do not include any portion of the Information Table on either the Cover Page or the Summary Page.

a. In entering information in Columns 4 through 8 of the Information Table, list securities of the same issuer and class with respect to which the Manager exercises sole investment discretion separately from those with respect to which investment discretion is shared. Special Instruction 12.b.vi for Column 6 describes in detail how to report shared investment discretion.

b. Instructions for each column in the Information Table:

i. **Column 1. Name of Issuer.** Enter in Column 1 the name of the issuer for each class of security reported as it appears in the current official list of Section 13(f) Securities published by the Commission in accordance with rule 13f-1(c) (the "13F List"). Reasonable abbreviations are permitted.

ii. **Column 2. Title of Class.** Enter in Column 2 the title of the class of the security reported as it appears in the 13F List. Reasonable abbreviations are permitted.

iii. **Column 3. CUSIP Number.** Enter in Column 3 the nine (9) digit CUSIP number of the security.

iv. **Column 4. Market Value.** Enter in Column 4 the market value of the holding of the particular class of security as prescribed by Special Instruction 9.

v. **Column 5. Amount and Type of Security.** Enter in Column 5 the total number of shares of the class of security or the principal amount of such class. Use the abbreviation "SH" to designate shares and "PRN" to designate principal amount. If the holdings being reported are put or call options, enter the designation "PUT" or "CALL," as appropriate.

vi. **Column 6. Investment Discretion.** Segregate the holdings of securities of a class according to the nature of the investment discretion held by the Manager. Designate investment discretion as "sole" (SOLE); "shared-defined" (DEFINED); or "shared-other" (OTHER), as described below:

(A) **Sole.** Designate as "sole" securities over which the Manager exercised sole investment discretion. Report "sole" securities on one line. Enter the word SOLE in Column 6.

(B) **Shared-Defined.** If investment discretion is shared with controlling and controlled companies (such as bank holding companies and their subsidiaries); investment advisers and investment companies advised by those advisers; or insurance companies and their separate accounts, then designate investment discretion as "shared-defined" (DEFINED).

For each holding of DEFINED securities, segregate the securities into two categories: those securities over which investment discretion is shared with another Manager or Managers on whose behalf this Form 13F report is being filed, and those securities over which investment discretion is shared with any other person, other than a Manager on whose behalf this Form 13F report is being filed.

Enter each of the two segregations of DEFINED securities holdings on a separate line, and enter the designation DEFINED in Column 6. See Special Instruction for Column 7.

(C) **Shared-Other.** Designate as "shared-Other" securities (OTHER) those over which investment discretion is shared in a manner other than that described in Special Instruction above.

For each holding of OTHER securities, segregate the securities into two categories: those securities over which investment discretion is shared with another Manager or Managers on whose behalf this Form 13F report is being filed, and those securities over which investment discretion is shared with any other person, other than a Manager on

whose behalf this Form 13F report is being filed.

Enter each segregation of OTHER securities holdings on a separate line, and enter the designation "OTHER" in Column 6. See Special Instruction for Column 7.

**Note:** A Manager is deemed to share discretion with respect to all accounts over which any person under its control exercises discretion. A Manager of an institutional account, such as a pension fund or investment company, is not deemed to share discretion with the institution unless the institution actually participated in the investment decision-making.

vii. **Column 7. Other Managers.** Identify each other Manager on whose behalf this Form 13F report is being filed with whom investment discretion is shared as to any reported holding by entering in this column the number assigned to the Manager in the List of Other Included Managers.

Enter this number in Column 7 opposite the segregated entries in Columns 4, 5 and 8 (and the relevant indication of shared discretion set forth in Column 6) as required by the preceding special instruction. Enter no other names or numbers in Column 7.

A Manager must report the conditions of sharing discretion with other Managers consistently for all holdings reported on a single line.

viii. **Column 8. Voting Authority.** Enter the number of shares for which the Manager exercises sole, shared, or no voting authority (none) in this column, as appropriate.

The Commission deems a Manager exercising sole voting authority over specified "routine" matters, and no authority to vote in "non-routine" matters, for purposes of this Form 13F report to have no voting authority. "Non-routine" matters include a contested election of directors, a merger, a sale of substantially all the assets, a change in the articles of incorporation affecting the rights of shareholders, and a change in fundamental investment policy; "routine" matters include selection of an accountant, uncontested election of directors, and approval of an annual report.

If voting authority is shared only in a manner similar to a sharing of investment discretion which would call for a response of "shared-defined" (DEFINED) under Column 6, a Manager should report voting authority as sole under subdivision (a) of Column 8, even though the Manager may be deemed to share investment discretion with that person under Special Instruction 12.b.vi.

13. Preparation of the electronic filing:

a. No line on the Cover Page or the Summary Page may exceed 80 characters in length. See rule 305 of Regulation S-T [17 CFR 232.305].

b. No line in the Form 13F Information Table may exceed 132 characters in length. See rule 305 of Regulation S-T [17 CFR 232.305].

c. If the Form 13F Report Type is "13F HOLDINGS REPORT" or "13F COMBINATION REPORT," then place one EDGAR <PAGE> tag at the end of the Cover Page and one <PAGE> tag at the end of the Summary Page. Additional EDGAR <PAGE> tags are not required. Those electing to include additional <PAGE> tags should, for

each page containing a <PAGE> tag, include no more than sixty (60) lines per page, including the line on which the <PAGE> tag is placed.

d. In preparing the Form 13F report for electronic filing, a Manager may omit underscoring used in the form to indicate the placement of information that the Manager is to furnish.

e. Use the following EDGAR submission types for the following Form 13F Report Types:

Form 13F report type	EDGAR submission type
13F HOLDINGS REPORT	
Initial Filing .....	13F-HR
Amendments .....	13F-HR/A
13F NOTICE	
Initial Filing .....	13F-NT
Amendments .....	13F-NT/A
13F COMBINATION REPORT	
Initial Filing .....	13F-HR
Amendments .....	13F-HR/A

#### Paperwork Reduction Act Information

Persons who are to respond to the collection of information contained in this form are not required to respond to the collection of information unless the form displays a currently valid OMB control number.

Section 13(f) of the Exchange Act requires the Commission to adopt rules creating a reporting and disclosure system to collect specific information and to disseminate such information to the public. Rule 13f-1 under the Exchange Act (17 CFR 240.13f-1) requires institutional investment managers who exercise investment discretion over certain accounts of equity securities described in Section 13(d)(1) of the Exchange Act [15 U.S.C. 78m(d)(1)] (generally, exchange traded or NASDAQ-quoted securities) having, in the aggregate, a fair market value of at least \$100,000,000 to file quarterly reports with the Commission on Form 13F with respect to the value of those securities over which they have investment discretion.

The purpose of Form 13F is to provide a reporting and disclosure system to collect specific information and to disseminate such information to the public about the holdings of institutional investment managers who exercise investment discretion over certain accounts of equity securities described in Section 13(d)(1) of the Exchange Act [15 U.S.C. 78m(d)(1)] (generally, exchange traded or NASDAQ-quoted securities) having, in the aggregate, a fair market value of at least \$100,000,000. We believe that investors will find Form 13F report information useful in tracking institutional investor holdings in their investments and that issuers, too, will find detail as to institutional investor holdings useful because much of their

