

of the Securities and Exchange Act of 1934 be vested in the Corporation with respect to securities issued by insured State banks which are not members of the Federal Reserve System. In general, the statute imposes four requirements on insured State nonmember banks having assets of at least \$1 million and a minimum of 750 stockholders. (The minimum number of stockholders will be reduced in the future to 500.) These reporting requirements are: (1) The filing of an initial registration statement containing information of a financial, legal, administrative, and historical nature; (2) the filing of supplemental and amendatory documents to the original registration statement, as well as annual and periodic reports; (3) the submission, before use, of proxy information, and (4) the filing by certain stockholders, directors and officers of a monthly report listing changes in their security holdings. Pursuant to the provisions of this new law and consistent with its purpose and intent, the Corporation has formulated and adopted implementing rules and regulations. Part 335 of those regulations provides that all information filed with the Corporation pursuant to the new statute will be available for public inspection at the central office of the Corporation in Washington, D.C. This information will also be available for public inspection at each of the Federal Reserve banks throughout the 12 Federal Reserve districts.

Question 5. In what circumstances are unpublished opinions and orders cited or used as precedents in other proceedings?

As indicated in the answer to question 4, the Board of Directors endeavors to be consistent and uniform in deciding matters by applying the same principles and standards in similar situations. Practically all adjudications of the Corporation are based on matters to be decided in the particular case and are decided on a case-by-case basis. As a result, and because certain opinions and orders of the Board of Directors are held confidential for good cause, those orders and opinions are not cited as precedents. (See section 309.2 of the Corporation's rules and regulations.)

In this connection, it should be noted that, pursuant to section 18(c) of the Federal Deposit Insurance Act, as amended in 1960, the Annual Report of the Corporation contains a description of each merger, consolidation, acquisition of assets or assumption of liabilities approved by the Corporation during the reported calendar year. Each of these published descriptions contains the name and total resources of the bank involved, a summary report of the Department of Justice and the reasons for and basis upon which the Board of Directors of the Corporation made the particular approval.

Question 6. What is the procedure for making available to the general public the records and files, interpretations, and legal opinions of your agency?

There are no set or established procedures available to the general public whereby the records and files of the Corporation can be examined or obtained. (See opening general comment and answer to question 4.) Interpretations formulated and adopted by the Corporation for the guidance of the public are published in the Federal Register. (See answer to question 2d.) However, advisory interpretations and legal opinions relating to a specific set of facts are available to members of the public upon written request to the Corporation.

Question 7. What limitations are placed upon the availability of records and files to the general public, either by statute, rule or practice?

In order to protect records and information relating to insured banks, the Corporation has prescribed regulations relating to confidential and privileged records and information of the Corporation pursuant to sections 7(a)(1) and (2) and 9 Tenth of the Federal Deposit Insurance Act. (See also the related statutory provisions and case law precedents cited in the opening general statement.)

Section 309.1(a) of the Corporation's rules and regulations provides as follows:

(a) Confidential information and records. All files, documents, reports, books, accounts, and records (collectively referred to as "records" in this section) pertaining to any bank, or the internal operations and affairs of the Corporation, in the possession or under the control of the Corporation or any officer, employee, or agent thereof, including but not limited to (1) reports of examinations or investigations of any bank, (2) applications, statements, and reports to the Corporation by any bank, (3) proceedings for the termination of the insured status of any bank, or (4) the internal operations of the Corporation, including minutes of the meetings of the Board of Directors and authorized committees and exhibits filed therewith, and all facts or information contained in such records or acquired by the officers, em-