

other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered to prohibit or restrict during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles, products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles, into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than \$2,000 nor more than \$50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion.

(Sept. 8, 1916, ch. 463, title VIII, §805, 39 Stat. 799.)

§ 77. Discrimination against neutral Americans in time of war

Whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that any vessel, American or foreign, is, on account of the laws, regulations, or practices of a belligerent Government, making or giving any undue or unreasonable preference or advantage in any respect whatsoever to any particular person, company, firm, or corporation, or any particular description of traffic in the United States or its possessions or to any citizens of the United States residing in neutral countries abroad, or is subjecting any particular person, company, firm, or corporation or any particular description of traffic in the United States or its possessions, or any citizens of the United States residing in neutral countries abroad to any undue or unreasonable prejudice, disadvantage, injury, or discrimination in regard to accepting, receiving, transporting, or delivering, or refusing to accept, receive, transfer, or deliver any cargo, freight, or passengers, or in any other respect whatsoever, he is authorized and empowered to direct the detention of such vessels by withholding clearance or by formal notice forbidding departure, and to revoke, modify, or renew any such direction.

Whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any belligerent country or Government, American ships or American citizens are not accorded any of the facilities of commerce which the vessels or citizens of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens of any nationality other than that of such belligerent, the President is authorized and empowered to withhold clearance from one or more vessels of such belligerent

country until such belligerent shall restore to such American vessels and American citizens reciprocal liberty of commerce and equal facilities of trade; or the President may direct that similar privileges and facilities, if any, enjoyed by vessels or citizens of such belligerent in the United States or its possessions be refused to vessels or citizens of such belligerent; and in such case he shall make proclamation of his direction, stating the facilities and privileges which shall be refused, and the belligerent to whose vessels or citizens they are to be refused, and thereafter the furnishing of such prohibited privileges and facilities to any vessel or citizen of the belligerent named in such proclamation shall be unlawful; and he may change, modify, revoke, or renew such proclamation; and any person or persons who shall furnish or attempt or conspire to furnish or be concerned in furnishing or in the concealment of furnishing facilities or privileges to ships or persons contrary to the prohibition in such proclamation shall be liable to a fine of not less than \$2,000 nor more than \$50,000 or to imprisonment not to exceed two years, or both, in the discretion of the court.

In case any vessel which is detained by virtue of this subchapter shall depart or attempt to depart from the jurisdiction of the United States without clearance or other lawful authority, the owner or master or person or persons having charge or command of such vessel shall be severally liable to a fine of not less than \$2,000 nor more than \$10,000, or to imprisonment not to exceed two years, or both, and in addition such vessel shall be forfeited to the United States.

The President of the United States is authorized and empowered to employ such part of the land or naval forces of the United States as shall be necessary to carry out the purposes of this subchapter.

(Sept. 8, 1916, ch. 463, title VIII, §806, 39 Stat. 799.)

DELEGATION OF FUNCTIONS

For delegation to Secretary of the Treasury of authority vested in President by this section, see section 1(j), (k) of Ex. Ord. No. 10637, Sept. 16, 1955, 20 F.R. 7025, set out as a note under section 301 of Title 3, The President.

**CHAPTER 2A—SECURITIES AND TRUST
INDENTURES**

SUBCHAPTER I—DOMESTIC SECURITIES

Sec.	
77a.	Short title.
77b.	Definitions; promotion of efficiency, competition, and capital formation. <ul style="list-style-type: none"> (a) Definitions. (b) Consideration of promotion of efficiency, competition, and capital formation.
77c.	Classes of securities under this subchapter. <ul style="list-style-type: none"> (a) Exempted securities. (b) Additional exemptions. (c) Securities issued by small investment company.
77d.	Exempted transactions.
77e.	Prohibitions relating to interstate commerce and the mails. <ul style="list-style-type: none"> (a) Sale or delivery after sale of unregistered securities.

Sec.	(b) Necessity of prospectus meeting requirements of section 77j of this title.	Sec.	(c) Preservation of authority.
	(c) Necessity of filing registration statement.		(d) Definitions.
77f.	Registration of securities.	77r-1.	Preemption of State law.
	(a) Method of registration.		(a) Authority to purchase, hold, and invest in securities; securities considered as obligations of United States.
	(b) Registration fee.		(b) Exception; validity of contracts under prior law.
	(c) Time registration effective.		(c) Registration and qualification requirements; exemption; subsequent enactment by State.
	(d) Information available to public.		(d) Implementation.
77g.	Information required in registration statement.	77s.	Special powers of Commission.
77h.	Taking effect of registration statements and amendments thereto.	77t.	Injunctions and prosecution of offenses.
	(a) Effective date of registration statement.		(a) Investigation of violations.
	(b) Incomplete or inaccurate registration statement.		(b) Action for injunction or criminal prosecution in district court.
	(c) Effective date of amendment to registration statement.		(c) Writ of mandamus.
	(d) Untrue statements or omissions in registration statement.		(d) Money penalties in civil actions.
	(e) Examination for issuance of stop order.		(e) Authority of court to prohibit persons from serving as officers and directors.
	(f) Notice requirements.		(f) Prohibition of attorneys' fees paid from Commission disgorgement funds.
77h-1.	Cease-and-desist proceedings.	77u.	Hearings by Commission.
	(a) Authority of Commission.	77v.	Jurisdiction of offenses and suits.
	(b) Hearing.		(a) Federal and State courts; venue; service of process; review; removal; costs.
	(c) Temporary order.		(b) Contumacy or refusal to obey subpoena; contempt.
	(d) Review of temporary orders.	77w.	Unlawful representations.
	(e) Authority to enter order requiring accounting and disgorgement.	77x.	Penalties.
77i.	Court review of orders.	77y.	Jurisdiction of other Government agencies over securities.
77j.	Information required in prospectus.	77z.	Separability.
	(a) Information in registration statement; documents not required.	77z-1.	Private securities litigation.
	(b) Summarizations and omissions allowed by rules and regulations.		(a) Private class actions.
	(c) Additional information required by rules and regulations.		(b) Stay of discovery; preservation of evidence.
	(d) Classification of prospectuses.		(c) Sanctions for abusive litigation.
	(e) Information in conspicuous part of prospectus.		(d) Defendant's right to written interrogatories.
	(f) Prospectus consisting of radio or television broadcast.	77z-2.	Application of safe harbor for forward-looking statements.
77k.	Civil liabilities on account of false registration statement.		(a) Applicability.
	(a) Persons possessing cause of action; persons liable.		(b) Exclusions.
	(b) Persons exempt from liability upon proof of issues.		(c) Safe harbor.
	(c) Standard of reasonableness.		(d) Duty to update.
	(d) Effective date of registration statement with regard to underwriters.		(e) Dispositive motion.
	(e) Measure of damages; undertaking for payment of costs.		(f) Stay pending decision on motion.
	(f) Joint and several liability; liability of outside director.		(g) Exemption authority.
	(g) Offering price to public as maximum amount recoverable.		(h) Effect on other authority of Commission.
77l.	Civil liabilities arising in connection with prospectuses and communications.		(i) Definitions.
	(a) In general.	77z-3.	General exemptive authority.
	(b) Loss causation.	77aa.	Schedule of information required in registration statement.
77m.	Limitation of actions.		SUBCHAPTER II—FOREIGN SECURITIES
77n.	Contrary stipulations void.	77bb.	"Corporation of Foreign Security Holders"; creation; principal office; branch offices.
77o.	Liability of controlling persons.	77cc.	Directors of Corporation; appointment, term of office, and removal.
77p.	Additional remedies.	77dd.	Powers and duties of Corporation, generally.
77q.	Fraudulent interstate transactions.	77ee.	Directors of Corporation, powers and duties generally.
	(a) Use of interstate commerce for purpose of fraud or deceit.	77ff.	Accounts and annual balance sheet of Corporation; audits.
	(b) Use of interstate commerce for purpose of offering for sale.	77gg.	Annual report by Corporation; printing and distribution.
	(c) Exemptions of section 77c not applicable to this section.	77hh.	Assessments by Corporation on holders of foreign securities.
77r.	Exemption from State regulation of securities offerings.	77ii.	Subscriptions accepted by Corporation as loans; repayment.
	(a) Scope of exemption.	77jj.	Loans to Corporation from Reconstruction Finance Corporation authorized.
	(b) Covered securities.	77kk.	Representations by Corporation as acting for Department of State or United States forbidden; interference with foreign negotiations forbidden.

Sec.		Sec.	
77ll.	Effective date of subchapter.		(b) Additional reports to security holders.
77mm.	Short title.		(c) Additional parties to whom reports to be transmitted.
SUBCHAPTER III—TRUST INDENTURES			
77aaa.	Short title.		(d) Filing of report with stock exchanges.
77bbb.	Necessity for regulation.	77nnn.	Reports by obligor; evidence of compliance with indenture provisions.
	(a) Practices adversely affecting public.		(a) Periodic reports.
	(b) Declaration of policy.		(b) Evidence of recording of indenture.
77ccc.	Definitions.		(c) Evidence of compliance with conditions precedent.
77ddd.	Exempted securities and transactions.		(d) Certificates of fair value.
	(a) Specific securities exempted.		(e) Recitals as to basis of certificate or opinion.
	(b) Application of sections 77eee and 77fff.		(f) Parties may provide for additional evidence.
	(c) Securities issued or proposed to be issued under indenture.	77ooo.	Duties and responsibility of the trustee.
	(d) Exemptions in public interest.		(a) Duties prior to default.
	(e) Securities issued by small investment company.		(b) Notice of defaults.
77eee.	Securities required to be registered under Securities Act.		(c) Duties of the trustee in case of default.
	(a) Information required.		(d) Responsibility of the trustee.
	(b) Refusal of registration statement.		(e) Undertaking for costs.
	(c) Information required in prospectus.	77ppp.	Directions and waivers by bondholders; prohibition of impairment of holder's right to payment; record date.
	(d) Applicability of other statutory provisions.		(a) Directions and waivers by bondholders.
77fff.	Securities not registered under Securities Act.		(b) Prohibition of impairment of holder's right to payment.
	(a) Prohibitions affecting unregistered securities not issued under indenture.		(c) Record date.
	(b) Prohibitions affecting unregistered securities issued under indenture.	77qqq.	Special powers of trustee; duties of paying agents.
	(c) Necessity of issuance under indenture; application for qualification.	77rrr.	Effect of prescribed indenture provisions.
77ggg.	Qualification of indentures covering securities not required to be registered.		(a) Imposed duties to control.
	(a) Application; information required; availability of information to public.		(b) Additional provisions.
	(b) Filing of application.		(c) Provisions governing qualified indentures.
	(c) Applicability of other statutory provisions.	77sss.	Rules, regulations, and orders.
77hhh.	Integration of procedure with Securities Act and other Acts.		(a) Authority of Commission; subject matter of rules, etc.
	(a) Incorporation by reference.		(b) Rules and regulations effective upon publication.
	(b) Consolidation of applications, reports, etc.		(c) Exemption from liability for any acts taken in good faith in conformity with rules, etc.
77iii.	Effective time of qualification.	77ttt.	Hearings by Commission.
	(a) Effective time of registration or application for qualification of indenture.	77uuu.	Special powers of the Commission.
	(b) Stop orders after effective time of qualification.		(a) Investigatory powers.
	(c) Effect of subsequent rule or regulation on qualification.		(b) Availability of reports from other offices; restrictions.
	(d) Liability of trustee under qualified indenture.		(c) Investigation of prospective trustees.
	(e) Power of Commission to conduct investigation.		(d) Appointment and compensation of employees; lease and allocation of real property.
77jjj.	Eligibility and disqualification of trustee.	77vvv.	Judicial review.
	(a) Persons eligible for appointment as trustee.		(a) Review of orders.
	(b) Disqualification of trustee.		(b) Jurisdiction of offenses and suits.
	(c) Applicability of section.	77www.	Liability for misleading statements.
77kkk.	Preferential collection of claims against obligor.	77xxx.	Unlawful representations.
	(a) Trustee as creditor of obligor.	77yyy.	Penalties.
	(b) Exclusion of creditor relationship arising from specified classes.	77zzz.	Effect on existing law.
	(c) Issue or sale of securities by registered holding company.	77aaaa.	Contrary stipulations void.
77lll.	Bondholders' lists.	77bbbb.	Separability.
	(a) Periodic filing of information by obligor with trustee.		
	(b) Access of information to security holders.		
	(c) Disclosure of information deemed not violative of any law.		
77mmm.	Reports by indenture trustee.		
	(a) Report to security holders; time; contents.		

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in section 80a-29 of this title.

SUBCHAPTER I—DOMESTIC SECURITIES

SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 77ccc, 77ddd, 77eee, 77fff, 77ggg, 77hhh, 77vvv, 77www, 77zzz, 78c, 78l, 78m, 78n, 78o, 78o-3, 78s, 78u-2, 78lll, 79p, 79t, 79u, 80a-2, 80a-8, 80a-9, 80a-14, 80a-24, 80a-34, 80a-37, 80a-49, 80a-54, 80a-56, 80b-2, 80b-3, 631b of this title; title 7 sections 6m, 12a; title 11 section 101; title 12 sections 635i-6, 1441a,