

11. ISSUANCE OF SECURITIES BY CARRIERS.

(A) "SECURITIES" DEFINED.

AS USED IN THIS SECTION THE TERM "SECURITIES" MEANS STOCKS; STOCK CERTIFICATES; OR BONDS, MORTGAGES, OTHER EVIDENCES OF INDEBTEDNESS PAYABLE IN MORE THAN ONE YEAR FROM DATE OF ISSUANCE, EXCEPT OBLIGATIONS COVERED BY CONDITIONAL SALES CONTRACTS, OR ANY GUARANTY OF OR ASSUMPTION OF LIABILITY ON ANY OF THE FOREGOING.

(B) NOT TO ISSUE WITHOUT APPROVAL BY COMMISSION.

SUBJECT TO SUBSECTION (G) OF THIS SECTION, NO CARRIER SUBJECT TO THIS COMPACT SHALL ISSUE ANY SECURITIES, OR DIRECTLY OR INDIRECTLY RECEIVE ANY MONEY, PROPERTY, OR SERVICES IN PAYMENT OF SECURITIES ISSUED OR TO BE ISSUED BY IT, UNTIL THE COMMISSION, BY ORDER, SHALL HAVE APPROVED THE ISSUANCE OF SUCH SECURITIES.

(C) PROCEEDINGS BEFORE COMMISSION.

UPON APPLICATION MADE TO IT BY ANY SUCH CARRIER FOR APPROVAL OF THE ISSUANCE OF SECURITIES, THE COMMISSION, AFTER AFFORDING REASONABLE OPPORTUNITY FOR HEARING TO INTERESTED PARTIES, SHALL BY ORDER APPROVE OR DISAPPROVE THE ISSUANCE OF SUCH SECURITIES. THE COMMISSION SHALL GIVE ITS APPROVAL IF IT FINDS THAT THE PROPOSED ISSUANCE OF SECURITIES IS NOT CONTRARY TO THE PUBLIC INTEREST.

(D) TERMS AND CONDITIONS; APPLICATION OF PROCEEDS.

ANY SUCH ORDER OF THE COMMISSION APPROVING THE ISSUANCE OF SECURITIES SHALL SPECIFY THE PURPOSES FOR WHICH THE PROCEEDS FROM THE SALE OR OTHER DISPOSITION THEREOF ARE TO BE USED AND THE TERMS AND CONDITIONS UNDER WHICH SUCH SECURITIES SHALL BE ISSUED AND DISPOSED OF. IT SHALL BE UNLAWFUL FOR THE APPLICANT TO APPLY SUCH PROCEEDS, OR TO ISSUE OR DISPOSE OF SUCH SECURITIES, IN ANY MANNER OTHER THAN AS SPECIFIED BY THE COMMISSION IN ITS ORDER.

(E) VOID SECURITIES.

ANY SECURITIES ISSUED IN VIOLATION OF THIS SECTION SHALL BE VOID.

(F) AUTHORITY OF OTHER COMMISSIONS; OBLIGATIONS UNDER OTHER LAWS.

NOTHING IN THIS COMPACT SHALL IMPAIR ANY AUTHORITY OF THE INTERSTATE COMMERCE COMMISSION, THE PUBLIC SERVICE COMMISSION OF MARYLAND, OR THE STATE CORPORATION COMMISSION OF VIRGINIA TO REGULATE THE ISSUANCE OF SECURITIES BY ANY CARRIER WHICH DOES NOT OPERATE EXCLUSIVELY IN THE METROPOLITAN DISTRICT, OR BELIEVE ANY CARRIER FROM THE OBLIGATIONS IMPOSED BY THE SECURITIES ACT OF 1933, AS AMENDED (ACT OF MAY 27, 1933, C. 38