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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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NEW RULES AND RULE PROPOSALS

PROPOSED AMENDMENT TO RULE 22d-1; WITHDRAWAL OF PREVIOUS PROPOSAL. The SEC today proposed an amendment of Rule 22d-1 under the Investment Company Act of 1940 to permit under certain limited circumstances quantity discounts for group purchases of redeemable securities issued by investment companies.

The new proposal, in effect, gives each issuer a choice between (a) giving quantity discounts, but denying them to groups in the manner the present rule provides or (b) offering quantity discounts to certain "bonafide" groups as well as to purchasers to whom they are presently available. Eligible groups would be defined to exclude any groups not in existence for at least 6 months or which have no other purpose than to purchase mutual fund shares at a discount.

In its recent announcement of hearings on mutual fund distribution and the potential impact of the repeal of Section 22(d) of the Act, (Investment Company Act Release No. 7475, November 3, 1972) the Commission stated one of the issues to be a reconsideration of the provision of Rule 22d-1 which precludes quantity discounts for certain group purchases of redeemable securities issued by investment companies. In order to provide a helpful focal point for comments of the public, the Commission is (1) withdrawing a previous proposal (Investment Company Act Release No. 5507, October 7, 1968), and (2) publishing a new proposal, significantly revised, for comments. The period for comments on this proposal has been set by the Commission to expire on March 30, 1973, a date estimated to be substantially after the projected close of the forthcoming hearings. The Commission hopes that this proposal will stimulate discussion at the hearings and that the discussion will lead to more informed comments on the rule itself. All interested persons are invited to submit their views and comments on the above proposal in writing, to the Securities and Exchange Commission, Washington, D.C. 20549. Please refer to File No. S7-467 in any communications.

Because of printing production problems, distribution of Investment Company Act Release No. 7571 will be delayed. However, the Investment Company Institute, American Life Convention, and the Life Insurance Association of America will mail copies to their members and make copies available to other interested persons. (Rel IC-7571)

PROPOSED OPEN CONTRACTUAL COMMITMENT COMPLETION RULE. The SEC today announced a proposal to adopt a Rule under Section 6d-1 of the Securities Investor Protection Act of 1970 which would provide limitation and clarification to the duty of a SIPC Act debtor trustee in completing the open contractual commitments of the debtor. The proposed Rule only relates to the open contractual commitments of a debtor which consist of fails to receive, fails to deliver, and unsettled transactions for which the broker-dealer on the other side was acting as agent for a customer not a broker-dealer. The proposed Rule contains provisions which are intended to cut off the obligation of the trustee to complete those open contractual commitments which are "stale" and limits the amount payable to the broker-dealer on the other side to \$20,000 for each Separate customers' account.

All interested persons are invited to submit their views and comments on the proposed Rule to Ronald F. Hunt, Secretary, Securities and Exchange Commission, 500 N. Capitol St., Washington, D. C. 20549 on or before February 12, 1973. (Rel. SIPC-2)

COMMISSION ANNOUNCEMENT

CORPORATE PAPERWORK GROUP ISSUES REPORT. The SEC today released the report of the Industrial Issuers Advisory Committee. That Advisory Committee was one of three committees appointed last September 26 to review reporting and other paperwork requirements established under federal securities laws by the Commission and self regulatory organizations such as the national securities exchanges and the National Association of Securities Dealers, Inc.

The Committee recommended among other things: (1) Adoption of guidelines for disclosure in registration statements, annual reports and proxy statements under the Securities Exchange Act of 1934 in order to assist issuers in preparing those documents. (2) Consideration of revisions of short form registration statements on Forms S-7, S-8 and S-9 under the Securities Act of 1933 to make them available to a wider range of issuers and to avoid duplication of information. (3) The Commission and the national securities exchanges take steps to permit short form listing applications based on filings made with the Commission. (4) Exemption from registration pursuant to state "blue sky" laws be permitted for companies meeting standards of Section 12(g) of the Securities Exchange Act of 1934--since exemption presently is provided, in many instances, for companies which have securities listed for trading on national securities exchanges. (5) Adoption of amendments to SEC proxy rules to require more meaningful disclosure in annual reports furnished to security holders--including a description of the company's business and its important segments; a five year summary of operations with explanatory comments on material changes in the company's operations in the past year; and more disclosure with respect to management and control. The committee also recommended that the Commission, the national securities exchanges and the NASD give further attention, including consideration of additional guidelines, to the content and dissemination of discretionary news releases and interim reports to security holders.

The members of the Committee were: Jack M. Whitney, II, Esq., Chairman, Sr. Partner, Bell, Boyd, Lloyd, Haddad & Burns; Anthony J. Chase, Deputy Administrator, Small Business Administration; Arthur Fleischer, Jr., Esq. Partner, Fried, Frank, Harris, Shriver & Jacobson; William R. Grant, President, Smith, Barney & Co.;

