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August 10, 2015

Secretary Brent J. Fields
Securities and Exchange Commission
100 F Street
Washington, DC 20549

Dear Secretary Fields,

I am writing to you concerning the commission's new rule 30e-3. I am opposed to this rule because it would rob consumers of the default option of receiving their financial information on paper.

It is easy to assume, in the age of computers, that receiving information on paper is outdated. However, the facts do not support this idea. A study commissioned by the SEC, only three years ago, showed an overwhelming number of investors (71%) preferred receiving financial information on paper. This study was substantiated through a 2011 report by Dalbar Inc. which polled financial and annuity firms on the adoption of e-delivery by their clients. On average, 10% or less of the respondents chose to adopt e-delivery. These studies make it abundantly clear investors, by a large margin, prefer the use of paper which under 30e-3 would no longer be their default option.

Why do consumers overwhelmingly prefer paper as the default delivery for their financial information? Simply, because it is a better method for receiving information. A recent national survey showed 88% of respondents retain and understand information when it is read on paper. Of these respondents 81% prefer reading printed information on paper. The commission's report from 2012, conducted by Siegel and Gale, also confirms this result as respondents indicated they retained information better when it is on paper.

If the SEC chooses to adopt 30e-3, it would not only be robbing consumers of the default option to receive information through their preferred method, it would also make it more difficult for certain Americans to invest. Elderly Americans (65 and older) do not use the internet according to the investing company Fact Book. However, the same information showed 34% of the elderly owned mutual funds. According to a 2012 report by Pew Research, the same is true of disabled Americans. Disabled Americans are less likely, by 27%, to use the internet. Overall, the research done by Pew showed 1 out of 5 adults in America, based on age, income or disability, do not use the internet. By changing the default delivery method for financial information under rule 30e-3,

these individuals will be severely disadvantaged. Under 30e-3, these demographic are less likely to receive their financial information and less likely to invest into our economy. Rule 30e-3 will rob consumers of their choice for a default paper delivery and discourage many different demographics from investing. I strongly urge you to consider the negative impact of 30e-3. The SEC is charged with an important duty under law to ensure the easy disclosure of financial information. However, I fear the unintended consequences of this new rule will be detrimental to that end.

Sincerely,

A handwritten signature in blue ink that reads "Seth Grove". The signature is written in a cursive, flowing style.

Seth Grove
State Representative
196th Legislative District