

United States Senate

September 30, 2015

Mr. Timothy Henseler  
Director of Legislative and Intergovernmental Affairs  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-2001

Dear Mr. Henseler:

I write on behalf of my constituent who has contacted me regarding the U.S. Securities and Exchange Commission's proposed rule 30e-3, which would permit mutual funds to satisfy shareholder report requirements by making reports available online, unless otherwise requested.

In his correspondence, my constituent, whose company is headquartered in Louisville, expressed concern regarding the potential impact this rule could have on his company, its employees, and the consumers it serves.

Consistent with all applicable statutes and Senate Ethics rules, I ask for your review and response to my constituent's concerns, which I have enclosed for your information. Please direct any inquiries and all relevant information to Suzanne Burton in my Washington, D.C. office.

Thank you for your time and assistance. I look forward to receiving your response.

Sincerely,



MITCH McCONNELL  
UNITED STATES SENATOR

MM/sb



September 14, 2015

Senate Majority Leader Mitch McConnell  
317 Russell Senate Building  
Washington, DC

Dear Senator McConnell,

There is a rule being proposed by the SEC that would not only disenfranchise many minority and elderly mutual fund shareholders, but also very negatively affect the printing industry in the USA and Kentucky. This rule is called 30e-3, and it would allow mutual fund groups to largely eliminate paper financial statement documents (Annual Reports) and replace them with electronic versions.

Senator, our company, V.G. Reed & Sons, is a HubZone certified printing and mailing company that does a considerable amount of business with nationally known mutual fund firms. We print and mail the annual reports that would drastically be reduced if this proposed ruling is passed.

VGR employs over 100 people on a full time basis, with 60 or more "supplemental" staff members, on average, throughout the year. Most, if not all, of our supplemental team members live in a "Hub" area, meaning, "historically underutilized business" zone. Nearly all are minorities who would be displaced if the SEC ruling proposed is passed.

Senator, currently, shareholders must opt "out" of a paper copy to electronic form. That would be changed, with this ruling, to an opt "in" for paper. This is problematic for the following reasons:

- a) A very large number of rural shareholders, such as in Kentucky, are elderly and either do not have broadband access or computers. 45 percent of Americans over the age of 65 do not own a computer (Department of Commerce study, 2011). 34 percent of this population owns mutual funds.
- b) 30 percent of all investors do not use the internet for investment correspondence do not use the internet due to security concerns.
- c) According to the SEC's own 2012 study, 71 percent of American investors prefer annual reports in paper format.

Also, in a recent national study, 88 percent of respondents stated they can retain information better when they read print on paper (source, Two Sides, May 2015).

Having also worked on large e-mail campaigns work in concert with print programs in my sales role at V.G. Reed & Sons, I can tell you that maintaining current e-mail addresses for a target audience can be quite problematic. People move, change jobs, get married and change names/e-

mail addresses, etc. Technology, though enticing, **cannot** provide the level of consistent service that a mailed copy through the US Postal service can. With mutual fund financial statement information, reliability is critical!

I appreciate your involvement and willingness to speak out on behalf of V.G. Reed & Sons, individual investors who would be adversely affected, and the thousands of printing companies in Kentucky who would stand to lose revenue and jobs as a result of the proposed SEC 30-e3 ruling. Please feel free to contact me if you have questions.

*Sincerely,*

Scott W. Reed  
Vice President/National Sales  
V.G Reed & Sons, Inc.

[REDACTED]

cc: Bobby Reed, Sr.