

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549



ADVISORY COMMITTEE ON CORPORATE DISCLOSURE

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August 23, 1976

Honorable Roderick M. Hills
Chairman
Securities and Exchange Commission
500 North Capitol Street
Washington, D.C. 20549

Dear Mr. Chairman:

As Chairman of the Commission's Advisory Committee on Corporate Disclosure, I am pleased to submit to you and to the other Commissioners, this first interim report with respect to the activities of that Committee. Attached to the report are a number of appendices which afford further indications of the scope and nature of the activities of the Committee to date.

As you are aware, at the heart of the Committee's activities is an extensive empirical research project designed to test various hypotheses and commonly-held theories about investors and markets, as well as secure a fund of reliable data for the Committee to use in reaching conclusions. Of necessity, considerable time and energy have been expended in designing and implementing this study. I am pleased to report that at the present time this work is going forward in an orderly and effective fashion and we are confident that from the study we will develop unique and heretofore unavailable data which will be extremely valuable, not only for the work of this Committee, but for other endeavors of the Commission as well.

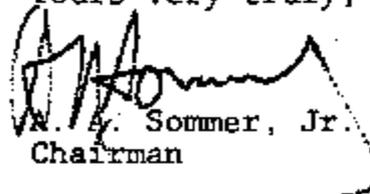
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Because the principal endeavor of the Committee to date has been establishing the program for this empirical research, Committee meetings have not been as frequent as they will be in the future. Furthermore, because of the importance of the data to be developed through this study, the Committee has foregone the temptation to reach any tentative conclusions lest results of the research contradict or necessitate modifications in such conclusions. However, we are hopeful that at and after the meeting scheduled for the latter part of October, when we expect substantial amounts of information from the study to be available, the Committee will commence the difficult task of drawing conclusions from the data, from their experience and from other information that is available, and will be in a position to release periodically conclusions and proposals as they are developed.

The Committee is deeply grateful to you and the other Commissioners, as well as members of the Commission's staff, for their unstinting assistance and support in this project. We are sure that the outcome of it will justify the confidence that is expressed in this support.

Yours very truly,



A. J. Sommer, Jr.
Chairman

Enclosure

cc: Commissioner Loomis
Commissioner Evans
Commissioner Pollack
John Burton
Harvey Pitt
Anne Jones
Lee Pickard
Richard Rowe
Stanley Sporkin
Richard Zecher

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