COPY

NATIONAL ASSOCIATION OF SECURITIES
DEALERS, INC. - WASHINGTON, D. C.

September 2, 1953

Honorable Ralph H. Demmler
Chairman
Securities and Exchange Commission
425 2nd Street, N. W.
Washington 25, D. C.

Dear Chairman Demmler:

I am pleased to furnish to you copies of a final draft of "Proposed Revisions of SEC Rules and Practices". As you know, these proposals represent the joint views of the industry as represented by the American Stock Exchange, the Association of Stock Exchange Firms, the Investment Bankers Association of America, the National Association of Securities Dealers, Inc. and the New York Stock Exchange.

Single copies of the draft are being delivered to the other Commissioners individually.

The industry groups named herein desire to assure you of their full cooperation with the Commission should you wish for further clarification or discussion of the matters covered in the attached memorandum.

Sincerely,

/s/ Wallace H. Fulton
Executive Director

cc and encl. to Commissioners Armstrong, Adams, Goodwin and Rowen
cc American Stock Exchange
Association of Stock Exchange Firms
Investment Bankers Association of America
New York Stock Exchange

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September 1, 1953

PROPOSED REVISIONS OF S. E. C. RULES AND PRACTICES

(Not Listed in Order of Importance)

UNDER 1933 Act

1. Simplified Registration and Prospectus Requirements for high-grade bonds. Waiting period should be reduced.

2. Restore "broker's exemption" as provided in Sec. 4(2).

3. Define "control".

4. Permit inclusion of earnings, dividend record and financial statements in identifying statement under Rules 131 and 132, remove Sec. 11 liabilities on identifying statements and make use of identifying statements permissive.

5. Permit private offering in U. S. which in contemporary with public offering abroad.

6. Revise deficiency letter procedures.

7. Commission's power to accelerate should not be used except to require proper disclosure.

8. Define "sale" to exclude bona fide loans.

9. Continuous and simplified registration of Investment Companies.

Under 1934 ACT

1. Amend Proxy Rules to show cost of management rather than individual salaries of three highest officers.

2. Amend Proxy Rules to prohibit re-submission in less than 5 years of a stockholder proposal where the proposal failed to get 15% of vote at last submission.

3. Limit recovery under Sec. 16(b) to profits actually realized.

4. Clarify Rules X-16(b)(2) and X-16(c)(2) so that the underwriting exemption also applies to cases where there is a single underwriter who is an officer, director or 10% stockholder of the issuer.

5. Define "sale" to exclude bona fide loans.

6. Permit broker to extend credit on securities even though issuer has reimbursed broker for out-of-pocket expenses for circularization of customers on rights offerings.

7. Synchronize broker-dealer inspections by S.E.C. with those of Exchanges and N.A.S.D.

8. Simplify Broker-Dealer Registrations.

9. Review rules on broker-dealer record keeping and retention so that unnecessary records will not be required to be maintained and retained.

Under Public Utility Holding Company Act

Re-appraise competitive bidding rule.

Proposed Revision of Sec. 4(1) - 1933 Act

Reduce from 1 year to 30 days period during which prospectuses must be delivered on sale of new issues.