



NEWS

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PLANS ANNOUNCED FOR OBJECTIVES AND STAFFING OF NEW SMALL BUSINESS OFFICE

Edward F. Greene, Director of the Division of Corporation Finance, announced today plans for staffing levels and priority objectives for the newly-established Office of Small Business Policy.

Establishment of the new Office, as part of an initiative to ease burdens on capital formation by small businesses which may stem from the securities laws or Commission rules, was announced by Chairman Harold M. Williams three weeks ago. Mr. Greene said today that the Office will be staffed by eight to ten professionals, including attorneys, accountants, and financial analysts, under the leadership of Mary E. T. Beach, currently an Associate Director of the Division. The staff will be more or less evenly divided between working on rulemaking initiatives and reviewing registration

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filings by small businesses, with both sections participating in internal and external liaison responsibilities.

Mr. Greene said he expects the Office to have the following three basic functions: to serve as the focal point for current and future rulemaking initiatives concerning small businesses; to review and comment upon the impact on small business of rule proposals and interpretations emanating from other offices of the Commission; and to serve as liaison with Congress, other government agencies, and private sector groups concerned with the problems of small business.

In addition, he said, the Office will have responsibility for monitoring all Commission handling of filings on the new Form S-18, a simplified registration form designed to facilitate first-time issues of securities by smaller companies. It will review all S-18 registrations filed with the Commission's headquarters in Washington, and will coordinate review by the regional offices of S-18 registrations to ensure consistency of approach and timeliness of response.

Mr. Greene stressed that an important function of the new Office will be to develop proposals to ease,

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insofar as possible, regulatory burdens imposed on small businesses by registration and disclosure requirements. He said the Office's two highest priorities in that area will be (1) development of a special rule exempting small offerings of securities sold to a limited number of persons from registration under the Securities Act of 1933, as an alternative to existing Rule 146; and (2) moderating continuing disclosure requirements under the Securities Exchange Act of 1934 by developing a method to differentiate among companies according to size, or other suitable criteria.

As a first step in these projects the Small Business Office, together with the Commission's Directorate of Economic and Policy Research, will develop an empirical data base for securities issuers by asset size, revenues, earnings, trading activity, market capitalization, and other standards. It may also conduct a survey of investors in smaller enterprises, to determine exactly what their information needs are.

The Office will conduct an overall review of the adequacy and interrelationship of the various exemptions from registration under the Securities Act that are now

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available to small businesses. The Office will also explore the possibility of developing a data bank on small business, in cooperation with the Small Business Administration and other agencies.

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