



**SECURITIES AND
EXCHANGE COMMISSION**

Washington, D. C. 20549

(202) 755-4846



FOR IMMEDIATE RELEASE: Tuesday, August 28

79-47

**COMMISSION TO CONSIDER RULE PERMITTING
EXPANDED INVESTMENT COMPANY ADVERTISING**

The Commission will consider, at an open meeting scheduled for Thursday, August 30, whether to issue a rule permitting expanded investment company advertising. The rule would allow a new type of advertising in the form of an "omitting" prospectus, subject to certain restrictions and conditions.

The proposed new Rule 434d is intended to permit investment companies to include a broader range of information in newspaper, magazine, radio and television advertisements. One argument in favor of an expansion of the rule is based on the fact that institutions such as savings and loan companies and insurance companies, which compete with investment companies for investor interest, are not subject to the same advertising limitations. This may have the effect of restricting the availability to investors of information about all relevant investment possibilities.

Also to be considered is whether to adopt an amendment to Rule 134 under the 1933 Act that would remove the prohibition presently contained in that rule with respect to the use by investment companies, during the time between the filing of a registration

statement and the time the statement becomes effective, of a "tombstone" advertisement containing certain information. The rule currently permits use of such information only after the registration statement becomes effective.

Thursday's meeting is scheduled to begin at 10 a.m. in the Commission's Meeting Room on the eighth floor of the headquarters building, 500 North Capitol Street, Washington, D.C. Following the conclusion of the open meeting, staff officials will participate in a briefing, scheduled for Room 858, to discuss whatever action the Commission takes.

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