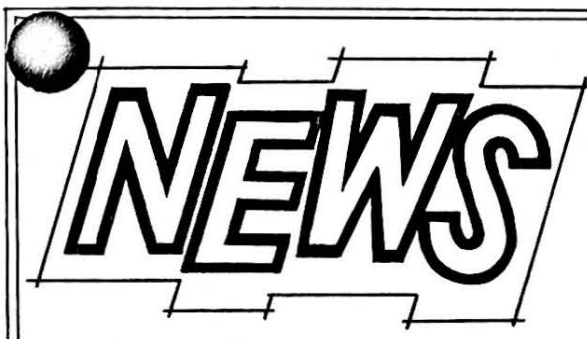




SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

(202) 755-4846



FOR IMMEDIATE RELEASE: Friday, August 31

79-48

COMMISSION TO CONSIDER RELEASE CONCERNING DISTRIBUTION COSTS OF
MUTUAL FUNDS; PROXY DISCLOSURE REQUIREMENTS; AND SMALL ISSUE EXEMPTIONS

The Commission will consider, at an open meeting scheduled for Wednesday, September 5, whether to seek public comment on three matters of general interest; they include distribution costs of mutual funds, proxy disclosure requirements and a new exemption from registration for small issues.

Among the issues to be considered are the following:

(1) Whether to propose a rule which would permit mutual funds to bear expenses associated with the distribution of their shares, if such companies comply with certain conditions and procedures. The Commission has maintained in the past that assets cannot be used to promote the sales of the funds.

(2) Whether to issue a release which would provide interpretive views of the Division of Corporation Finance concerning proxy statement disclosure requirements relating to certain business and personal affiliations of directors. The release would also seek written comments on disclosure requirements adopted in December, 1978 relating to the structure, functioning and composition of boards of directors.

(more)

(3) Whether to propose for comment a new small issue exemption rule. Suggested by the Office of Small Business Policy of the Division of Corporation Finance, the rule would allow certain corporate issuers to sell, without registration, up to \$2 million of their restricted securities to an unlimited number of institutional-type purchasers and to other purchasers, if certain conditions are met. This is a part of a continuing effort to ease the impact of the federal securities laws on small business wherever possible and consistent with investor protection.

Wednesday's meeting is scheduled to begin at 2:30 p.m. in the Commission's Meeting Room on the eighth floor of the headquarters building, 500 North Capitol Street, Washington, D.C. Following conclusion of the open meeting, staff officials will participate in a briefing, scheduled for Room 776, to discuss whatever action the Commission takes.

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