



NEWS

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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FOR RELEASE:

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STATEMENT BY THE SEC CHAIRMAN

WASHINGTON, August 15, 1984 -- John S.R. Shad, Chairman of the Securities and Exchange Commission, today said that he was gratified at the signing of H.R. 559, the Insider Trading Sanctions Act, signed into law by the President on Friday, August 10, 1984.

"Enactment of this law is a significant addition to the Commission's ability to enforce the federal securities laws of this nation, help ensure the continuing fairness of the securities markets and assure U.S. investors of the fairness and integrity of the markets," said Mr. Shad.

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THE WHITE HOUSE

Office of the Press Secretary
(Santa Barbara, California)

For Immediate Release

August 11, 1984

STATEMENT BY THE PRESIDENT

I have signed H.R. 559, the "Insider Trading Sanctions Act of 1984." This legislation makes several important changes to the Federal law governing insider trading in securities. Most important, it strengthens the penalties for violating Federal securities fraud law, which reflects my commitment to enforcing all our country's laws -- both on Main Street and Wall Street.

The U.S. securities markets are the fairest in the world. Insider trading is the exception, not the rule. Nevertheless, abuses by insiders and those who receive their tips erode investor confidence in the securities markets. Public investors may be less willing to place their money at risk in securities if they believe that other traders, unlawfully utilizing material nonpublic information, have unfair advantages.

The legislation authorizes the Securities and Exchange Commission to seek a new civil penalty against persons who violate existing provisions of law in connection with certain purchases or sales of securities. This bill also increases the maximum criminal penalty for any violation of the Securities Exchange Act of 1934 to \$100,000, adds commodities law violations as the basis for statutory disqualification under that Act, and authorizes the Commission to remedy proxy and tender offer violations administratively.

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