



U. S. Securities and Exchange Commission
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**News
Release**

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GLOBAL CERTIFICATES TO BE DISCUSSED

Washington, June 19 -- Can companies issue one bond certificate, instead of many, and transfer ownership electronically, rather than by shifting paper certificates around?

Securities and Exchange Commission Chairman John S.R. Shad will discuss these "global" debt certificates on Monday, June 24th at a press conference at 11:30 a.m. in Room 629, The New York Stock Exchange, 11 Wall Street, New York, New York. In commenting on the subject recently, Chairman Shad said, "In addition to the millions of existing securities certificates, tons of new certificates are being engraved and distributed daily. They are moved by planes, trains, armored trucks and guards, throughout the nation and the financial community, indeed, throughout the world. They are inspected, counted and sorted over and over again, repackaged and sent by couriers and insured mail to investors and depositories, and sorted in vaults and safety-deposit boxes. The millions of shares transferred daily are a similarly laborious task. And millions of dollars of securities are counterfeited, lost, stolen and accidentally mutilated and destroyed annually."

Currently, \$1.4 trillion in corporate equities, and \$300 billion in debt securities is "immobilized" -- on deposit at registered securities depositories. But that's only 50% of the dollar value of New York Stock

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Exchange (NYSE) - listed equity, and about 65% of NYSE - listed debt. At workshops held by the Commission in February and March, 1985, a wide variety of industry participants agreed that more needs to be done to immobilize securities certificates. Savings are estimated to be \$10,000 per issue to dealers, underwriters and issuers of the securities, and, in the aggregate, amount to hundreds of millions of dollars over the past several years.

Chairman Shad will highlight the Commission's initiatives to immobilize, and eventually eliminate, paper certificates on Monday.

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