

MEMO# 1794

March 27, 1990

BILL TO PROHIBIT SALES OF SECURITIES ON BANK PREMISES

March 27, 1990 TO: SEC RULES COMMITTEE NO. 18-90 RE: BILL TO PROHIBIT SALES OF
SECURITIES ON BANK PREMISES

Representatives Schumer and McMillen have introduced a bill that would ban offers and sales of securities issued by "affiliates" of depository institutions in any part of the institution's offices "commonly accessible to the general public for the purpose of accepting deposits" (e.g., bank lobbies). A copy of the bill and statements of Representatives Schumer and McMillen are attached. We have been informed that there is a possibility that an amendment will be offered to this bill that would prohibit sales of unaffiliated securities that are not federally insured on bank premises unless the purchaser first signs a waiver that discloses that the securities are not insured. We will keep you informed of developments. Craig S. Tyle Associate General Counsel Attachment

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