

**MEMO# 5710**

March 23, 1994

## **SEC PROPOSAL TO REQUIRE DISCLOSURE OF SIPC STATUS ON CONFIRM**

March 23, 1994 TO: SEC RULES COMMITTEE NO. 39-94 UNIT INVESTMENT TRUST  
COMMITTEE NO. 25-94 RE: SEC PROPOSAL TO REQUIRE DISCLOSURE OF SIPC STATUS ON  
CONFIRM \_\_\_\_\_ The Securities and  
Exchange Commission has proposed amendments to Rule 10b-10 under the Securities  
Exchange Act of 1934. The rule generally requires broker-dealers to send a written  
confirmation to their customers at or before the completion of a transaction, and specifies  
information that must be included on the confirm. According to the proposing release, a  
copy of which is attached, the proposed amendments "are designed to enhance the  
disclosure given to customers so that customers can better evaluate their securities  
transactions." Most of the proposed changes would require additional disclosures that are  
not relevant to transactions in investment company securities. One proposed new  
provision, however, would require disclosure on the confirmation that the broker or dealer  
transmitting the confirmation is not a member of the Securities Investor Protection  
Corporation ("SIPC"), or that the broker or dealer clearing or carrying the customer account  
is not a member of SIPC, if such is the case. Other proposed amendments include  
restructuring the rule and adding a preliminary note to indicate that the rule's requirements  
do not limit disclosures necessary under the antifraud provisions of the federal securities  
laws. Comments on the proposed amendments to Rule 10b-10 must be filed within 90 days  
of their publication in the Federal Register. If there are issues you would like the Institute to  
consider including in a comment letter, please contact me at (202) 326-5822 by Friday,  
April 29. Frances M. Stadler Associate Counsel Attachment