

MEMO# 6447

December 9, 1994

DRAFT LETTER TO SEC STAFF ON CONFIRM DISCLOSURE OF NON-SIPC STATUS

December 9, 1994 TO: SEC RULES COMMITTEE No. 129-94 RE: DRAFT LETTER TO SEC
STAFF ON CONFIRM DISCLOSURE OF NON-SIPC STATUS

_____ As you know, the SEC recently adopted amendments to Rule 10b-10 under the Securities Exchange Act to require disclosure on confirmations that the broker or dealer transmitting the confirm or clearing or carrying the customer account is not a member of the Securities Investor Protection Corporation ("SIPC"), if such is the case. (See Memorandum to SEC Rules Members No. 84-94, dated November 17, 1994.) This requirement will become effective on April 3, 1995. Underwriters of mutual funds and unit investment trusts will be required to make this disclosure, unless they are eligible to rely on the narrow exemption included in the rule. We have drafted the attached letter urging the SEC staff to take appropriate action "to rectify the untenable situation created by [this] illogical requirement." Please provide me with your comments on the draft letter by December 16. I can be reached at 202/326-5824. Amy B.R. Lancellotta Associate Counsel Attachment