

MEMO# 7874

May 20, 1996

NASAA SIGNS LETTER OF INTENT TO SELL SRD TO OHIO COMMISSIONER OF SECURITIES; COMMISSIONER ANNOUNCES HIS RESIGNATION FROM THE STATE

May 20, 1996 TO: SEC RULES MEMBERS No. 28-96 SMALL FUNDS COMMITTEE No. 8-96
STATE SECURITIES MEMBERS No. 13-96 UNIT INVESTMENT TRUST MEMBERS No. 16-96 RE:
NASAA SIGNS LETTER OF INTENT TO SELL SRD TO OHIO COMMISSIONER OF SECURITIES;
COMMISSIONER ANNOUNCES HIS RESIGNATION FROM THE STATE

The Institute received a press release from NASAA earlier today informing us that NASAA has taken steps to privatize the Securities Registration Depository ("SRD"). In particular, NASAA has signed a letter of intent with Mark Holderman, the Ohio Commissioner of Securities, which provides for the sale of the SRD to Holderman for \$2.75 million. Today Holderman announced his resignation as Ohio Securities Commissioner effective June 7, 1996. Upon leaving his position as Commissioner, Holderman plans to start a corporation to operate the SRD. As envisioned, Holdermans corporation would provide a filing service using the Internet and Oracle software whereby filers could make securities filings with and pay fees to all states. According to the NASAA press release, Holderman estimates that his cost of providing this service to be "approximately 25 percent" less than the fees previously proposed by NASAA. Final details concerning the configuration and pricing of the system have yet to be worked out. Holderman has informed the Institute that he is most interested in hearing from the industry concerning our filing needs and, after June 7th, he will seek our input. A copy of the NASAA press release is attached. Tamara K. Cain Assistant Counsel Attachment Note: Not all recipients of this memo will receive an attachment. If you wish to obtain a copy of the attachment referred to in this memo, please call the Institute's Information Resource Center at (202)326-8304, and ask for this memo's attachment number: 7874.