

Haba §16 of the Exchange Act

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OFFICE OF THE DIRECTOR
CORPORATION FINANCE

March 14, 1984

John Fedders, Esq.
Director of SEC Enforcement
SEC
450 Fifth St., N.W.
Washington, D.C. 20549

Re: Form 4 Filing

Dear Mr. Fedders:

I am writing you this letter as an attorney who prosecutes numerous shareholder claims pursuant to §16(b) of the 1934 SEC Act. I applaud your recent action filed against Mr. Robert Reigeluth, and other "insiders" for failure to file timely Form 4s, as required under §16(a). It is long overdue.

Another problem that is perhaps much more serious is the prevalence of "insiders" filing misleading or incorrect Form 4s that do not accurately disclose their stock transactions. It is clear that many of these erroneous filings are due to ignorance or negligence, but in some cases fraud is involved, and needless to say, the impact in the marketplace can be very substantial and material in effect.

As you know, only your agency has standing under §16(a) to compel compliance with the form 4 filing requirement promulgated thereunder, and it would be helpful if the shareholder of the Issuer also had standing to prosecute such a wrong under §16(a), as a private attorney-general consistent with the Draconian public policy underlying §16(b) enforcement. I have taken the liberty of enclosing a copy of an article from "The Corporate Counsel" which discusses my standing in the §16(b) bar in order that you may seriously consider the content of my letter which proposes an amendment to §16(a) to confer standing on a shareholder to compel the timely filing of correct, accurate Form 4s with substantial penalties to be imposed on "insiders" who do not comply with the filing requirements. I thank you for your kind co-operation in reviewing this letter, and I would enjoy hearing any comments that you might choose to respond with.

Very best regards,

JMS

JERROLD M. SHAPIRO

JMS: aw
Encl.
cc: Leo Portnoy