

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

SECURITIES ACT OF 1933  
Rel. No.

SECURITIES EXCHANGE ACT OF 1934  
Rel. No.

INVESTMENT COMPANY ACT OF 1940  
Rel. No.

NOTICE OF PROPOSED AMENDMENT TO ARTICLE 3 OF  
REGULATION S-X FOR DISCLOSURE OF DETAILS OF  
MARKETABLE AND OTHER INVESTMENT SECURITIES

The Commission hereby proposes to amend Article 3 of Regulation S-X by adding a requirement for reporting in a note to financial statements the concentration of investments in securities of a particular issuer.

The proposed amendment would require reporting of information if the aggregate investment in securities of an issuer exceeds the lesser of 5 percent of stockholders' equity or 10 percent of net income before extraordinary items. The proposal defines "issuer" as a state or municipality or other political subdivision as well as a corporation. Disclosure would not be required of de minimus amounts.

The proposed requirement would be designated Rule 3-16( ) of Regulation S-X and would be as follows:

( ) Marketable and Other Investment Securities

(1) State in a note with regard to marketable and other investment securities the name of issuer, aggregate amount at which shown in the balance sheet (book value) and aggregate value based on market quotations at balance sheet date for the securities of any issuer for which aggregate book value exceeds the lesser of 5 percent of stockholders' equity or 10 percent of net income before extraordinary items for the most recent fiscal year, provided, however, that disclosure is not required as to any issuer in which aggregate book value of investments is less than one percent of stockholders' equity.

(2) For the purpose of this disclosure the term "issuer" means (i) a state and its agencies or a political subdivision of a state and its agencies or an agency which is an instrumentality of two or more states including any subordinate subdivision of such state, subdivision or agency whose securities are considered liabilities of or are guaranteed by such state, subdivision or agency, and (ii) a corporation and its majority-owned subsidiaries.

(3) For the purpose of this disclosure the term "marketable and other investment securities" shall have the meaning given for "security" in section 2(1) of the Securities Act of 1933.

(4) If a loss was incurred in the most recent fiscal year then the disclosure in (1) above shall be required when aggregate book value of securities of an issuer exceeds one percent of stockholders' equity.

This amendment, if adopted, is expected to be made effective with respect to financial statements filed with the Commission subsequent to XXXXXXXX XX, XXXX. All interested persons are invited to submit their views or comments on this proposed amendment to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549, on or before XXXXXXXX XX, XXXX. Such communications should refer to File No. XX-XXX and will be available for public inspection.

By the Commission

George A. Fitzsimmons  
Secretary