



SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

122-2

June 29, 1988

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OFFICE  
JUN 30 1988  
Signed by: \_\_\_\_\_

The Honorable William Proxmire  
Chairman  
Committee on Banking, Housing,  
and Urban Affairs  
United States Senate  
Washington, D.C. 20510

Re: One Share, One Vote Issue

Dear Chairman Proxmire:

Thank you for your letter dated April 20, 1988 regarding Commission action on the issue of one-share/one-vote.

As you are aware, in June 1987, the Commission instituted proceedings under Section 19(c) of the Securities Exchange Act of 1934 to adopt proposed Rule 19c-4. The Rule would prohibit a company's common stock or equity securities from being listed or authorized for trading on a national securities exchange or association if the company issues securities, or takes other corporate action, that would have the effect of nullifying, restricting or disparately reducing the voting rights of existing shareholders. Because the Commission continues to be involved in the public proceeding regarding proposed Rule 19c-4, it would be inappropriate for the Commission to comment at this time on the specific points raised by your letters.

I have enclosed a copy of the release proposing Rule 19c-4 for your convenience, as well as correspondence sent today to respond to other Congressional inquiries on this issue. The release contains an analysis of the Commission's authority to adopt the rule. I also will include your comments in the rulemaking file regarding proposed Rule 19c-4.

Sincerely,

David S. Ruder  
Chairman

Enclosures