



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

December 8, 1994

122-8-2

Honorable Bob Graham  
524 Hart Senate Office Building  
Washington, D.C. 20510-0903  
Attention: Tom Greene

Dear Senator Graham:

I have been asked to respond to your letter to Chairman Levitt of November 14, 1994 regarding the Commission's proposed amendments to requirements for the filing of ownership reports by officers and directors of public companies. Your letter requests our views on the enclosed comments on the rule proposals from Bob Gabele, the president of CDA/Investnet, a company that provides to the public the information in these filings.

The rule proposals were issued in August, 1994, as part of a release soliciting public comment on a number of amendments to the rules and forms under Section 16 of the Securities Exchange Act of 1934. Among other things, Section 16 requires officers, directors and holders of more than ten percent of the stock of certain public companies to file with the Commission ownership reports setting forth their holdings in their company's equity securities, as well as acquisitions and dispositions of those securities. In addition, the statute provides for the recovery by the company of profits made by the same persons on purchases and sales of the company's securities within six months.

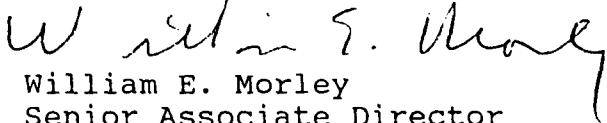
The August rule proposals are intended to streamline the Section 16 regulatory scheme where consistent with the statutory purposes. One of the areas under consideration is whether the timing or content of the ownership reports should be modified in order to reduce the compliance burden on those required to file reports. In addition to proposing various rule changes, the release also solicited comment on several reporting approaches that had been suggested by others. However, the Commission is well aware of the public interest in these reports, and has specifically solicited comment on the impact any changes would have on the informational needs of the investing public.

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The staff is now examining all the comment letters received, including Mr. Gabele's, in order to make recommendations to the Commission about what changes, if any, should be made to the Section 16 reporting system. Accordingly, the views of those making use of the information in Section 16 ownership reports will be given appropriate weight.

I hope this information is helpful to you. If you have additional questions about the Section 16 rule proposals, please contact Mauri Osheroff, Associate Director (Regulatory Policy) at (202) 942-2840.

Sincerely,

  
William E. Morley  
Senior Associate Director