

MINUTES OF MEETING
SPECIAL COMMITTEE ON COOPERATION WITH
SECURITIES AND EXCHANGE COMMISSION

January 14, 1941

A meeting of the American Institute of Accountants' special committee on cooperation with Securities and Exchange Commission was held at the offices of the Institute, 13 East 41st Street, New York, N. Y., Tuesday morning, January 14, 1941.

Present:

Homer N. Sweet, chairman

William H. Bell

Charles B. Couchman

Warren W. Nissley (for one hour)

Paul Bartholet, executive director of the National Association of Investment Companies, was present by invitation.

The draft of January 10, 1941, of the proposed rule N-19-1 under the investment company act was discussed paragraph by paragraph. A number of changes were agreed to.

Mr. Couchman and Mr. Sweet were in favor of not requiring in paragraph (b) disclosure of accumulated net realized losses on sale of portfolio securities. Mr. Nissley was of the opinion that disclosure of any accumulated net realized loss should be required by paragraph (b). Mr. Bell reserved judgment on this question.

At the conclusion of the meeting Mr. Bartholet said that (during the afternoon) he would write out a revised draft and on the next day in Washington submit it to the Investment Company Division of the Securities and Exchange Commission.

In the afternoon Mr. Sweet telephoned to Mr. Schenker, head of the S.E.C. Investment Company Division, described to him briefly what progress had been made and said that our committee was pretty well satisfied that the draft to be completed today by Mr. Bartholet would be a good approach to a reasonable rule, but that we wished to reserve final judgment until we should see the latest revised draft or a subsequent revision which may develop out of consideration by the S.E.C. people of the draft Mr. Bartholet is to submit tomorrow. This was in accordance with the understanding reached at the meeting this morning. Mr. Schenker said that he would submit the next draft to us for our study.

Homer N. Sweet, chairman.