



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

→ Boyden Gray  
SEC paperwork  
reduction

OCT 23 1981

MEMORANDUM FOR: JIM TOZZI  
THROUGH: John McNicholas *John*  
FROM: Rob Veeder *Rob*  
SUBJECT: Boyden Gray's Questions on SEC Form 13F:  
"Report of Institutional Investment Managers  
Pursuant to Section 13F of the SEC Act of  
1934"

Gray passed on a letter from Richard Grant of Auchincloss and Lawrence, Inc. Grant suggested that we support an amendment to the SEC Act of 1934 which would raise the reporting threshold for institutional investment managers from the current minimum of 100 million. The report is aimed at "large" managers and Grant suggests that an account of 100 million is no longer a large one. He points to the excessive cost of compliance and the associated paperwork burdens.

Gray wanted to know if we should pursue this: "Can you get credit under the Paperwork Act for legislated changes?"

I have this report in for clearance now. It was one of the very few SEC deigned to submit to GAO for clearance; Norm Heyl cleared it last time.

My review of the statute indicates that there are two possibilities for providing relief, short of amending the statute:

- While Congress set the 100 million dollar threshold by law, they left the reporting frequency up to the SEC, provided reports were furnished at least yearly. SEC has established a quarterly reporting requirement. At the very least, we can make them reconsider their need for all of the information from all of the providers this frequently.
- The big out is the following clause in the statute: "The Commission may, by rule or statute, exempt, conditionally or unconditionally, any institutional investment manager or security, or any class [of them] from any or all provisions of this section." At the least we can require them to justify their continued need to treat this entire group the same way. At best, if we choose, we can disapprove the collection and force them to discriminate in their collections. We can certainly take credit for this under the Paperwork Act.

I will keep you posted.

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