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Contact: Beth Dozier: bethdozier@rational360.com | 202.429.1833

Ahead of SEC Meeting Today, Coalition for Paper Options Calls on SEC to Pursue Summary Investment Reports Rather than Force e-Delivery

Coalition of Nation's Leading Consumer Groups Calls for Streamlined, Investor-Friendly Report Format Recommended by SEC Investor Advisory Committee, rather than Rule 30e-3, which Would Make Electronic Delivery the Default for Investment Reports

WASHINGTON, D.C. (June 5, 2018) – The [Coalition for Paper Options](#), whose members include the [Coalition of Mutual Fund Investors](#), [Consumer Action](#), the [National Consumers League](#), and the [National Grange](#), today called on the Securities and Exchange Commission (SEC) to resolve the controversy brewing between consumer interests and financial firms by pursuing a summary version of investment reports, rather than forced e-delivery. The SEC meets today (Tuesday, June 5) at 10 a.m. to consider the path forward for Rule 30e-3 – a three-year-old proposal which would allow mutual funds to make electronic delivery the default for shareholder reports and other important investment information.

“Nearly half of investors have already opted for e-delivery,” said John Runyan, executive director of the Coalition for Paper Options. “While it is clear that the trend is steadily moving in the direction of e-delivery, switching the default delivery method simply ignores the very real concerns of many investors, imposes hardship on investors least able to manage the change, and opens the door to new phishing scams and cybersecurity threats.”

Runyan continued, “What investors need, and what the SEC’s own Investor Advisory Committee has already recommended, are reports that are shorter and more readable. The mutual fund industry has consistently complained about the length and cost of producing paper shareholder reports, claiming that they aren’t useful to investors. By pursuing the summary report concept, the SEC would satisfy consumer interests and improve financial literacy, while still saving millions of dollars for the mutual fund industry.”

The Coalition for Paper Options is asking the SEC to drop Rule30e-3 and approve a rule which:

- Allows fund companies to deliver the summary in place of the larger report maintaining the default to paper and that fund companies be allowed to make the larger document available on either the web or in the mail by request; and
- Requires testing on investor acceptance of the summary and their preference of its distribution before any further thought is given to switching the default delivery method.

Part of the broader Investment Company Reporting Modernization rulemaking, Rule30e-3 would allow mutual funds to simply post shareholder reports to a website and require investors to specifically request mail delivery – even though investors already have the ability to request this information

electronically, and over half have opted to continue receiving them by mail. More than 900 Americans, including individual investors and elected officials, have filed [comments](#) with the SEC in opposition to the rule and its negative impact shareholders who need or prefer access to paper reports.

About the Coalition for Paper Options

The Coalition for Paper Options is an alliance of consumer organizations, labor unions, rural advocates, and print communications industry organizations and employees who recognize the need to preserve access to important paper-based information and services for Americans who prefer them or depend on them. While the Coalition for Paper Options supports the use of technology, we believe that the government and private sector should promote digital services and information without discriminating against citizens who want or need more traditional access. By giving Americans a choice, we can bridge the digital divide and save millions of dollars – without shifting cost burdens to citizens who can least afford them. For more information and a list of members, visit www.paperoptions.org.

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