

## Compliance Staff Welcome Short-Form Prospectus

More than nine out of 10 compliance officers at mutual fund companies would consider offering a short-form prospectus if a **Securities and Exchange Commission** proposal is adopted, a new study has found. The survey found that most respondents believe the shorter document would help lower costs and improve disclosure.

The SEC is expected to release a proposal within the next few months that would allow mutual funds companies to give investors a short-form prospectus that may be as little as two pages in length. The conditions for using such a form under the proposal are not clear, as is whether it will be voluntary or compulsory. **John Heine**, spokesman for the SEC, said there is no timetable for when the short-form prospectus proposal will be released.

**Len Driscoll**, v.p. for product marketing at technology vendor **NewRiver**, which hired **Forrester Consulting** to conduct the survey, said the short-form prospectus would improve communication to investors while decreasing funds' exposure to liabilities.

The study, carried out by Forrester Consulting in August, surveyed compliance staff at more than 150 companies. Ninety-five percent of respondents said they were very or somewhat likely to consider adopting the short-form prospectus, assuming doing so is voluntary. Forrester composed the questions for the study and conducted it independently of NewRiver.