



[Home](#) | [Previous Page](#)

## U.S. Securities and Exchange Commission

### SEC Announces '21st Century Disclosure' Initiative to Fundamentally Rethink the Way Companies Report and Investors Acquire Information

**William Lutz, Disclosure and Transparency Expert, Tapped to Lead Effort**

**FOR IMMEDIATE RELEASE  
2008-119**

*Washington, D.C., June 24, 2008* — Securities and Exchange Commission Chairman Christopher Cox today announced the kickoff of an ambitious effort to examine fundamental questions about the way the SEC acquires information from public companies, mutual funds, brokers, and other regulated entities, and the way it makes that information available to investors and the markets.

The aim of the wide-ranging internal inquiry will be to outline the attributes of the disclosure system for the future that incorporates technology, the new ways in which investors get their information, and recent developments in how companies compile and report the information in their SEC-mandated disclosures.

The first phase of the study will be completed by the end of 2008, when a follow-on advisory committee will be appointed to consider the questions in more detailed fashion through a public and consultative process.

"On the 75th anniversary of the SEC, with so much new technology available to improve the quality of information for investors as well as the way investors acquire it, we're initiating a broad, introspective look at our business model," said Chairman Cox. "What hasn't changed in 75 years is the importance of full disclosure — sunlight remains the best disinfectant for problems in our capital markets. We'll be examining how to improve the way disclosure works, including tapping the full potential of today's technology and integrating it seamlessly into our regulatory approach. That could mean fewer confusing forms, and more useful information at investors' fingertips in a form they can really use."

Chairman Cox also announced that the SEC's internal study known as the '21st Century Disclosure Initiative' will be undertaken by a dedicated staff of experts to be led by Dr. William D. Lutz of Rutgers University.

"Bill Lutz is ideally suited to lead this effort," said Chairman Cox. "He will bring an expert and fresh perspective to thinking about the agency's full-disclosure mission, and how it can best serve the needs of America's investors."

Dr. Lutz has a unique background with dual expertise as a securities lawyer and plain-English expert focused on transparency. He has significant experience in working with the SEC on disclosure issues, has participated in several SEC roundtables, and has frequently provided advice on SEC rulemaking. From 1995 to 1999, he played an important role in advancing the SEC's Plain English initiative by preparing the SEC's Plain English

Handbook, a manual to help mutual funds and public companies write clear and understandable SEC filings. He is Emeritus Professor of English at Rutgers University, and the author of numerous books and articles on the importance of plain-language disclosure.

The internal study will produce, by the end of 2008, a blueprint for future Commission action to improve the usefulness and timeliness of disclosure for investors, and to streamline and modernize the collection of disclosure from companies and regulated entities. The study will be a fundamental rethinking of financial disclosure, beginning with the basic purposes of disclosure from the perspective of investors and markets. The inquiry will be aimed at identifying the objectives of the ideal disclosure system at the architectural level. Essential to the study will be the determination of how to match the capabilities of today's information technology with the SEC's regulatory aims and the needs of investors.

The study will include a review of all existing SEC forms and reporting requirements, as well as the manner in which information is provided to the Commission, with a special focus on needless redundancy. It will also include consideration of various alternative strategic approaches to acquiring and publishing disclosure information. In addition, the study will consider ways that regulatory requirements for the collection of information might be tailored to get the best real-time distribution of financial and narrative disclosure to investors. Finally, the study will examine how best to integrate public disclosure with the SEC's proposed new post-EDGAR architecture for investor search, assembly, and comparison of data.

# # #

<http://www.sec.gov/news/press/2008/2008-119.htm>

---

[Home](#) | [Previous Page](#)

Modified: 06/24/2008