

For Immediate Release

Consumer & Allied Groups Urge SEC to Keep Shareholder Reports Accessible to All

Consumer Action, Consumers for Paper Options and the National Consumers League Issue Comments Calling on the SEC to Rescind Proposed Rule Changing Default Delivery Method from Mail to Online

WASHINGTON, D.C. (July 22, 2015) – [Consumer Action](#), [Consumers for Paper Options](#) and the [National Consumers League](#) today submitted [joint comments](#) urging the Securities and Exchange Commission (SEC) to rescind a new proposed rule allowing mutual funds to discontinue the mailing of shareholder reports and other important investment information to investors.

In their comments, the groups highlight access and consumer preference issues with Proposed Rule 30e-3, which would eliminate the current default requirement for mutual funds to transmit important information to investors in paper form, and instead permit them to satisfy SEC requirements by making shareholder reports and quarterly portfolio holdings available online.

“Rule 30e-3 would make it more difficult for many investors to access the reports they need to make informed investment decisions,” said the organizations in their joint comments. “The rule runs counter to the preferences and needs of the investing public. The SEC’s own research confirms that an overwhelming majority of American investors prefer to receive shareholder reports in paper format, and only a small minority of investors have thus far opted into e-Delivery.”

The organizations continued, “While we recognize the trend towards a more digital world, it is critical that government efforts to ‘modernize’ information delivery do not disenfranchise Americans who need or want resources in paper format. With paper clearly the preferred and most effective format for shareholder reports, and most Americans in opposition to implied consent for e-Delivery, online posting should not be the default method for the delivery of shareholder reports. We ask that the SEC reconsider and formally withdraw Rule 30e-3.”

In its comments – available [here](#) – [Consumer Action, Consumers for Paper Options and the National Consumers League](#) make the following main points:

- **Paper is still the preferred method of transmission for investors.** According to SEC’s own study conducted by Siegel + Gale in 2012, 71 percent of American investors said they prefer to read annual reports in paper format rather than online versions, and a large number of respondents also asserted that printed materials yield higher content comprehension than online materials.
- **Rule 30e-3 would impede access for many investors, especially the elderly, those with disabilities, and minority Americans – all demographics that are less likely to have regular Internet access.** For example, 41 percent of Americans over 65 years of age do not use the Internet, yet, according to the Investment Company Fact Book, 34 percent of this population owns mutual funds.

- **Rule 30e-33 would shift the burden on investors** by requiring them to “opt-in” to paper delivery of important fund information as opposed to the current option of “opting-in” to electronic delivery.

About Consumer Action

For more than four decades, Consumer Action, a national non-profit organization, has worked to advance consumer literacy and protect consumer rights in many areas, including credit, banking, privacy, insurance, healthcare and utilities. The organization achieves its mission through several channels, from direct consumer education to issue-focused advocacy. For more information, visit www.consumer-action.org.

About Consumers for Paper Options

Consumers for Paper Options brings together industry, non-profits and consumers in an effort to address the transition to Internet-only resources at the exclusion of millions of citizens. Consumers for Paper Options is united in the belief that paper-based communications are critically important for millions of Americans, especially seniors and the 25 percent of households without Internet access. While regulated entities and governments at every level need to streamline services, cut costs and improve efficiencies, the goal of Consumers for Paper Options is to preserve access in a way that neither hinders the natural evolution of technology nor discriminates against those who may not, or cannot, use it. For more information, visit www.paperoptions.org.

About the National Consumers League

The National Consumers League (NCL) is a private, nonprofit advocacy group representing consumers on marketplace and workplace issues. NCL provides government, businesses, and other organizations with the consumer's perspective on concerns including child labor, privacy, food safety, and medication information. The mission of the National Consumers League is to protect and promote social and economic justice for consumers and workers in the United States and abroad. Learn more about NCL by getting to know its rich [history](#) and founding in the Progressive Era, [current leadership](#), and consumer and worker education and advocacy [programs](#).

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