NEWS RELEASE

IDAHO DEPARTMENT OF FINANCE, SEC TO IDAHO INVESTORS: TIGHTER DEADLINE FOR SETTLING TRADES GOES INTO EFFECT ON JUNE 7

Shorter "T+3" Window Means Some Investors Will Have to Change Habits; (Division) Joins SEC in Alerting (State) Investors About Options, Potential Pitfalls.

BOISE, IDAHO -- June 2, 1995 -- Starting June 7th, investors in Idaho and around the nation will have three, rather than five, business days to settle their securities transactions. The change is coming about under a new federal rule providing for a shortened settlement cycle known as "T+3" -- shorthand for "trade date plus three days." Gavin M. Gee, Acting Director, Idaho Department of Finance, is joining U.S. Securities and Exchange Commission Chairman Arthur Levitt today in an effort to make sure that investors understand the new rule.

"This tighter settlement deadline will have the biggest impact on investors who hold their own stock certificates or do not have some kind of asset management account arrangement with their broker," Gee said. "We want to make sure that investors know about the new rule and understand that they have choices. In particular, investors should not feel pressured by their brokers into opening new accounts and paying new fees if it is not necessary to do so."

SEC Chairman Arthur Levitt said: "In an effort to reduce systemic risk in our markets, the Commission adopted rules that will shorten the timeframe for settling most securities transactions to three business days. To aid investors in understanding this change, the Commission has released a special information brochure. It is user-friendly and covers a variety of topics. Changes of this magnitude are never easy, but the end result will reduce systemic risk -- and that benefits all of us."

Gee and Levitt emphasized that "T+3" will have an impact on the routine of many small investors in Idaho. For example, those who have grown accustomed to waiting for their confirmation slip to arrive in the mail and then checking it before sending a payment to the brokerage firm will have to change their habits. (However, investors will still receive a confirmation slip under "T+3". Concerned individuals may want to contact their broker about receiving their confirmation on an expedited basis.)
Gee said: "People in the habit of going over their confirmation slips in much the same way that they do restaurant bills or grocery receipts before paying will have to change their practice. Under the new rules, most investors will make the settlement payment, check the 'confirm' slip afterwards, and then take action if there is a problem. If a discrepancy is noted, they should contact their broker and branch office manager in writing. If that doesn't resolve things, investors should contact the Idaho Department of Finance for help."

In order to answer investor questions about the new settlement rule, the SEC is making available at no cost, copies of What Investors Should Know About ... T+3. (See end of this news release for information on how to order.) Gee said that he strongly encourages investors in Idaho to avail themselves of this useful information about the new settlement deadline.

OPTIONS FOR BUYING AND HOLDING STOCK
There are different ways to buy and hold the stock of a company. Under the new "T+3" rule, investors should examine which approach makes the most sense for them:

You hold the certificates in your own name. Some investors prefer to take physical delivery of the actual stock certificates issued by the companies in which they invest. This will still be permitted under "T+3," but investors will have to arrange for the certificates to be in the hands of the broker within three business days after selling their shares. When investors take delivery of certificates they are registered as a shareholder on the books of the company. They receive dividend payments and corporate communications directly from the company and can participate in dividend reinvestment plans.

The brokerage firm holds your stock in "street name." When a brokerage firm records an investor's stocks on its books, this is known as holding stocks in "street name." For the many investors who already hold their stocks in "street name," the impact of "T+3" will be minimal. Investors find "street name" convenient because they do not need to worry about safeguarding their certificates or arranging for delivery when it comes time to sell. In spite of these attractive features, no investor should feel as though he or she is required by "T+3" to hold stocks in "street name."

You buy directly from the company issuing stock. Under this approach, an investor buys stock directly from a publicly traded corporation without a broker acting as middleman. These purchases typically do not involve commissions. However, other types of fees may be charged and investors can face restrictions on when and how they are permitted to buy
and sell their shares. Approximately 50 public companies currently allow investors to buy their first shares directly from the company. Many more companies have dividend reinvestment programs.

The SEC is currently urging the securities industry to develop a direct registration book-entry program. This system would allow an investor to buy stock through a broker but then hold the stock in his or her name without having to take physical delivery of the certificates. The investor would be registered as a shareholder with the company and receive an account statement showing his or her ownership interest.

OPTIONS FOR SETTLEMENT
Investors should be wary of any claims that certain steps are "required" as a result of the new "T+3" rule. The only thing that is mandatory is the more rapid settlement; how that is best accomplished by an investor is up to him or her to decide. In fact, investors will have several different options to consider in order to satisfy the new settlement rule:

In person. If you have the flexibility to make a personal visit to your broker for settlement purposes, the "T+3" rule may have little impact on you.

Prompt mailing. If your brokerage firm's check-processing office is nearby, you may still be able to use the U.S. mails in complying with the "T+3" rules. However, investors who have to mail settlement payments some distance may find reliance on the mails to be risky.

Rapid delivery service. Investors who trade on an infrequent basis may wish to consider special delivery service arrangements available for both payments and delivery of stock certificates. These services may vary in cost, so investors should shop around.

Wire and other electronic transfer. Banks and some commercial services are making available speedy fund transfers on a case-by-case basis for a fee. However, many investors may be better off talking to their brokers about setting up an electronic draft on their bank accounts through the Automated Clearing House (ACH) network. ACH permits individual customers to authorize electronic debits directly from their checking and savings account balances.

Asset management account. Another approach is to have a separate money-market or other account with your broker that will cover any settlement deadline. One advantage is that the brokerage firm can automatically "sweep" your account so that
any cash and dividends earn interest for you immediately. However, there may be fees associated with money-market and more inclusive "asset management accounts." You will need to carefully consider which account, if any, makes the most sense for you. Under no circumstances should you feel that "T+3" in some way is "forcing" you to open up such an account.

KEY QUESTIONS FOR INVESTORS
The Idaho Department of Finance and SEC recommend that investors in Idaho consider and get answers to the following questions:

Which method of holding stocks makes the most sense for me?
Do I still want to hold stock certificates myself and risk missing the three-day settlement deadline?

Do I need to change the way that I make settlement payments now? Will the mails be too slow? Should I consider holding my stock in "street name," opening another account, or authorizing ACH debits?

If a broker is recommending a new account ... What fees will be involved and how do they compare to what I was paying before? Will my account statements be different? Will I trade often enough to avoid an inactivity fee? Will my new account automatically "sweep" cash and dividends into an interest-bearing fund of some sort?

If an investor is considering direct ownership of stock ... Which companies that I am interested in offer the option of dividend reinvestment? What will I be charged for stock purchases? Will there be other fees?

If you think that you have been misled about what "T+3" means to you, or, if you encounter problems (such as undisclosed fees) in the coming months under the new settlement rule, contact the Idaho Department of Finance at 208/332-8004. Or write to:

Idaho Department of Finance Securities Bureau P.O. Box 83720 Boise, ID 83720-0031
Individual investors are strongly encouraged to contact the SEC's Office of Consumer Affairs for a copy of the free booklet on the "T+3" rule. To do so, call the SEC's toll-free hotline, 1-800/732-0330. Or, write to:
Securities and Exchange Commission Office of Consumer Affairs 450 5th Street NW Washington, DC 20549

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Journalists can obtain the text of the SEC Brochure via fax by calling (202) 942-0020