INVESTMENT COMPANY ACT AMENDMENTS OF 1967

MONDAY, OCTOBER 16, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMMERCE AND FINANCE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2322, Rayburn House Office Building, Hon. John E. Moss (chairman of the subcommittee) presiding.

Mr. Moss. The committee will be in order.

We are resuming our hearings this morning on H.R. 9511. We have as our first witnesses the Association of Mutual Fund Plan Sponsors, Inc.: Mr. John H. Kostmayer, the coordinator; Mr. J. Edward Day; Mr. Cornelius Roach, chairman; and Mr. Rowland A. Robbins, president. Will you gentlemen take your seats. You may proceed, Mr. Roach.

I wonder if you would introduce, so that each member of the committee——

STATEMENTS OF CORNELIUS ROACH, CHAIRMAN OF THE BOARD, ASSOCIATION OF MUTUAL FUND PLAN SPONSORS, INC.; ROWLAND A. ROBBINS, PRESIDENT; JOHN H. KOSTMAYER, COORDINATOR OF LEGISLATIVE EFFORTS; AND J. EDWARD DAY, COUNSEL

Mr. ROACH. Mr. Chairman and members of the subcommittee, on my right is Mr. Robbins, who is the president of the Association of Mutual Fund Plan Sponsors. Immediately to my left is Mr. John Kostmayer, who has been coordinator of the legislative efforts on behalf of the association. He is also vice president of First Investors Corporation, a sponsor of contractual plans, and Mr. Edward Day, former Postmaster General, who is appearing here as an expert witness in behalf of the association.

I am Cornelius Roach. I am vice president and general counsel of Waddell & Reed, Inc., national distributors of the United Funds group of mutual funds and sponsors of contractual plans for the accumulation of shares of certain of those funds. I have been continuously engaged in the mutual fund business for 16 years. I am also chairman of the board of the Association of Mutual Fund Plan Sponsors, Inc. I have already introduced those who are with me today.

The Association of Mutual Fund Plan Sponsors is an organization whose members conduct approximately 70 percent of the business in contractual plans. At the end of 1966, there were 48 sponsors offering the shares of some 65 mutual funds through contractual plans. It is