

January 31, 2005

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.,
Mail Stop 0609
Washington, D.C. 20549-0609

Re: Proposal Regarding Securities Offering Reform

File No. S7-38-04

Dear Mr. Katz:

This letter is submitted on behalf of LaSalle Broker Dealer Services Division (“LaSalle”), a division of ABN AMRO Financial Services, Inc.¹ LaSalle is pleased to have the opportunity to offer its comments in response to the request of the Securities and Exchange Commission (the “Commission”) in Release No. 33-8501 (November 3, 2004) (the “Release”) for comments on its proposal to modify and advance the registration, communications, and offering processes under the Securities Act of 1933, as amended (the “Securities Act”).

We welcome the Commission’s attempt to eliminate unnecessary and outmoded restrictions on offerings, as well as provide more timely information to investors. As noted below, we generally find the proposals addressing communications related to registered securities offerings and the delivery of information to investors to be consistent with the Commission’s overall goal of maintaining investor protection.

Well-Known Seasoned Issuers

We agree with the Commission’s approach to differentiating among issuers; affording those issuers with certain reporting histories under the Exchange Act² and which are presumptively the most widely followed issuers in the marketplace greater derived benefits from the proposed modifications to the communication and registration rules. As the Commission has noted, the most active issuers in the U.S. capital markets are widely followed by market participants, the media, and institutional investors³. In addition, enhancements to corporate disclosure under the Exchange Act⁴ as well as

¹ LaSalle specializes in distributing fixed income products to the broker-dealer community. LaSalle offers whole loan collateralized mortgage obligations (CMOs), structured products such as reversible exchangeables, exchangeables and equity-linked notes, subordinated debt, and corporate bonds. LaSalle’s *Direct Access Notes* (DANs) is the leading continuously offered medium-term notes program.

² Securities Exchange Act of 1934, as amended (15 U.S.C. 78a *et seq.*).

³ See Section II of the Release.

⁴ See, *infra*, Note 2.

advancement in technology have enhanced the information available for review by potential investors⁵. Therefore, the extensive information already available to the public makes it appropriate for the Commission to offer more latitude in developing rules designed for the overall goal of investor protection.

Removal of Communication Barriers

To the extent that the Release removes barriers that today restrict information available to potential investors during a public securities offering, we agree with the expansion and addition of acceptable categories of permitted communication⁶. Specifically, we believe that the communications available under proposed Rule 164, referred to as “Free Writing Prospectuses”, allows issuers and distributors flexibility in conveying useful information to the public. Issuers and distributors are today confined to using statutory prospectuses⁷ and tombstone advertisements⁸ as the sole written communication, which hampers the otherwise useful information flow to the investing public. The current process tends to chill issuers and distributors from providing even the most useful information. We believe that the proposal increases the information available to the public, while maintaining an appropriate focus on investor protection.

Prospectus “Access Equals Delivery”

The Commission acknowledges that the current final prospectus delivery requirements foster a timing mismatch between the time an investor makes an investment decision and the time she receives the final prospectus⁹. Moreover, the ability of the Internet to provide far-reaching and timely access to prospectuses filed via EDGAR¹⁰ makes it logical for the *filing* of a final prospectus to satisfy the Securities Act’s delivery requirement. We view this proposed “access equals delivery” model for final prospectuses to be a consistent with meeting investors’ demands for access to information in a manner as timely as possible. We also believe that trends in the marketplace towards a paperless environment, including EDGAR filings, as well as communications available via hyperlink and on-line access, have helped increase the flow of useful information available to the investing public.

⁵ See Sections I.B.1. and I.B.2. of the Release.

⁶ The Release provides for the following classes of permitted communication: (1) Issuer notices of communications now permitted under Securities Act Rule 135; (2) tombstone advertisements now permitted under Securities Act Rule 134 as well as under Securities Act Rule 134 as proposed revised; (3) Research reports now permitted under Securities Act Rules 137, 138, and 139 and as these rules are proposed to be revised; (4) communications that occur more than 30 days prior to filing of a registration statement as proposed in new Rule 163A; (5) business communications released in the “ordinary course” that are unrelated to a securities offering as proposed in new Rule 168; (6) “Free writing prospectuses” under proposed Rule 164; and (7) statutory preliminary and final prospectuses.

⁷ A statutory prospectus is a prospectus that complies with the requirements of Section 10 under the Securities Act.

⁸ Tombstone advertisements are currently limited to the information prescribed in Rule 134 under the Securities Act.

⁹ See Section VI.B. of the Release.

¹⁰ Electronic Data Gathering, Analysis and Retrieval system.

Conclusion

Technological advancements warrant an ongoing assessment of how the securities offering and communications processes might be improved. We agree with the Commission's proposal to develop realistic and effective methods for issuing and distributing securities that help benefit the investing public by providing useful and timely information. Specifically, we agree that for Well Known Seasoned Issuers, about whom extensive public information is available, the Commission's proposal to afford more latitude makes sense. We also agree with the notion that issuers and underwriters need better and faster ways to provide written communications concerning their securities offerings. In addition, we believe that the "access equals delivery" proposal for final prospectuses takes advantage of the effectiveness and efficiencies of EDGAR and the internet while promoting the overall goal of providing the public adequate information.

We thank the Commission for the opportunity to respond to the proposal.