

MEMO# 2034

July 16, 1990

MICHIGAN REMOVES SUNSET PROVISION ON FEE TO CLAIM BLUE CHIP EXEMPTION AND TO REGISTER SECURITIES

July 16, 1990 TO: STATE SECURITIES MEMBERS NO. 24-90 UNIT INVESTMENT TRUST
MEMBERS NO. 50-90 RE: MICHIGAN REMOVES SUNSET PROVISION ON FEE TO CLAIM BLUE
CHIP EXEMPTION AND TO REGISTER SECURITIES

As we previously informed you, effective December 27, 1988, Michigan enacted an exemption from registration for qualified mutual funds and unit trusts ("blue chip exemption") as an alternative to the registration process. The legislation contained a sunset provision of December 1, 1990 for the fee to claim the exemption; until December 1, 1990, the fee to claim the exemption for a mutual fund was \$1,250 and the fee to claim the exemption for a unit investment trust was \$750. The legislation also set the minimum and maximum fees to register securities at \$100 and \$1,250, respectively and after December 1, 1990, the minimum and maximum fees would decrease to \$50 and \$500. (See Memorandum to State Securities Members No. 4-89 and Unit Investment Trust Members No. 10-89, dated January 24, 1989). However, this year legislation was enacted removing the sunset provision on the fee to claim the blue chip exemption and the fee to register securities. House Bill 5296 requires mutual funds to pay an annual filing fee of \$1,250 and unit trusts to pay a filing fee of \$750 to claim the blue chip exemption. The fee to register securities is one-tenth of one percent of the amount registered, with a minimum fee of \$100 and a maximum fee of \$1,250. A copy of House Bill 5296 is attached. Patricia Louie Assistant General Counsel Attachment

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