

MEMO# 7893

May 24, 1996

JUNE 10 MEETING ON MULTI-CLASS PREFERENTIAL DIVIDEND ISSUE AND TAX COMMITTEE DINNER

1 See Institute Memoranda to Tax Committee No. 33-95 and Accounting/Treasurers Committee No. 45-95, dated November 2, 1995; and to Tax Committee No. 23-95 and Accounting/Treasurers Committee No. 22-95, dated June 16, 1995. May 24, 1996 VIA FAX TO: TAX COMMITTEE No. 16-96 RE: JUNE 10 MEETING ON MULTI-CLASS PREFERENTIAL DIVIDEND ISSUE AND TAX COMMITTEE DINNER

_____, June 10
Meeting on Multi-Class Preferential Dividend Issue As you know, the Institute has urged the IRS to issue published guidance that respects the separate classes of multiple-class funds for purposes of the preferential dividend rules.¹ In recent discussions with the IRS on this matter, questions have arisen regarding (1) whether any guidance that may be published should address the preferential dividend consequences, if any, of non-pro-rata waivers or reimbursements of fund-level or class-level expenses and, (2) if so, what the guidance should say. On June 10, 1996, the day before the next Tax Committee meeting, a special meeting of the Tax Committee will be held to discuss the questions that have arisen regarding expense limitations in a multi-class context. The meeting will begin at 2:00 p.m. in the David Silver Conference Room on the 12th Floor of our offices at 1401 H Street, N.W., Washington, D.C. Lunch will be available before the meeting, beginning at 1:00 p.m. June 10 Tax Committee Dinner For anyone attending the June 10 meeting, or arriving in Washington the evening before the June 11 Tax Committee meeting, who would like to get together for dinner, we have scheduled a dinner on Monday, June 10 at Tony Cheng's Mongolian Restaurant, 619 H Street, N.W., beginning at 6:30 p.m. The cost of the dinner will be divided among those attending. Fax Response Form Anyone planning to attend either the meeting on expense limitations or the Tax Committee dinner, or both, should complete the attached fax response sheet and return it to Ana Alvarez at 202-326-5841 no later than Thursday, June 6. * * * * * We look forward to seeing you in June. Catherine L. Heron Vice President and Senior Counsel Attachment