

MEMO# 1891

May 3, 1990

NASD REQUESTS MEMBERS TO VOTE ON CDSL DISCLOSURE PROPOSAL

May 3, 1990 TO: SEC RULES COMMITTEE NO. 27-90 RULE 12b-1 AD HOC COMMITTEE RE:
NASD REQUESTS MEMBERS TO VOTE ON CDSL DISCLOSURE PROPOSAL

As we previously informed you, the NASD has proposed to required disclosure on confirmations when an investment company imposes a deferred sales charge on the redemption of shares. (See Memorandum to SEC Rules Members No. 65-89 and Rule 12b-1 Ad Hoc Committee, dated December 5, 1989.) Attached is a copy of the May NASD Notice to Members requesting members to vote on the proposal by June 5, 1990. The proposal reflects changes that were made in response to the comments the NASD received on its initial proposal. One of the more significant changes is that the proposed disclosure legend should be required to be placed on the front of a confirmation to ensure that the disclosure is highly visible to a prospective investor. We will keep you informed of developments. Amy B. Rosenblum Assistant General Counsel
Attachment

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.