

MEMO# 2072

July 30, 1990

INSTITUTE COMMENT LETTER ON NEW JERSEY CASINO CONTROL ACT

July 30, 1990 TO: SEC RULES COMMITTEE NO. 39-90 INVESTMENT ADVISERS COMMITTEE NO. 24-90 RE: INSTITUTE COMMENT LETTER ON NEW JERSEY CASINO CONTROL ACT

_____ As we previously informed you, the New Jersey Casino Control Commission scheduled a hearing on July 24, 1990 to consider whether the Casino Control Act should be amended to exempt or waive certain institutional investors from having to submit to the qualification process. (See Memorandum to SEC Rules Committee No. 36-90 and Investment Advisers Committee No. 22-90, dated June 29, 1990). Attached is a copy of the Institute's comment letter. In its comment letter, the Institute recommended that given the detailed and stringent reporting requirements that institutional investors are subject to pursuant to the provisions of the Securities Exchange Act of 1934, the Casino Control Act could be amended to allow investment by passive institutional investors of up to 10% of a class of equity securities and 20% of a class of debt securities of publicly-held casino companies without sacrificing the integrity of the casino licensing process. The Commission has scheduled additional hearings August 2-3, 1990 in Atlantic City to receive additional testimony as to whether amendments to the Casino Control Act are necessary in order to encourage investment in casino holding company securities. We will keep you advised of developments. Patricia Louie Assistant General Counsel Attachment

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