

MEMO# 3593

March 16, 1992

INVESTMENT COMPANIES EXCLUDED FROM FLORIDA DISCLOSURE BILL

March 16, 1992 TO: BOARD OF GOVERNORS NO. 17-92 CLOSED-END FUND MEMBERS NO. 11-92 STATE SECURITIES MEMBERS NO. 11-92 UNIT INVESTMENT TRUST MEMBERS NO. 16-92 FLORIDA ASSOCIATE MEMBERS RE: INVESTMENT COMPANIES EXCLUDED FROM FLORIDA DISCLOSURE BILL _____ The

Institute is pleased to inform you that investment companies registered under the Investment Company Act of 1940 have been excluded from a bill recently passed by the Florida Legislature which requires issuers to disclose in their prospectuses if they do business with the government of Cuba. Legislation had been introduced in the Florida Senate and House which would have required all issuers of securities to disclose in their prospectuses whether they conduct business with the government of Cuba. In addition to the disclosure requirement, the legislation also provided for a private right of action for rescission, damages or a fine for failure to include this disclosure in the prospectus. The Institute retained local counsel in Florida to seek amendments to the legislation to reduce the burden of such disclosure on investment companies and remove the private right of action for rescission. The amended legislation excludes investment companies and removes the private right of action for rescission. A copy of the Institute's letter and the amended legislation is attached. The amended legislation has passed both houses of the Florida Legislature and is awaiting the governor's signature. The legislation is effective immediately upon his signature. Patricia Louie Assistant General Counsel Attachments