

MEMO# 3093

September 13, 1991

MONTANA ISSUES CONTRACTUAL PLAN POLICY STATEMENT

September 13, 1991 TO: CONTRACTUAL PLANS COMMITTEE NO. 14-91 RE: MONTANA
ISSUES CONTRACTUAL PLAN POLICY STATEMENT

_____ The Montana Securities
Department has issued the attached Policy Statement, effective August 12, 1991, regarding
the registration of contractual plans in Montana. According to the Policy Statement, a
contractual plan may be registered if the following provisions are met: 1. the plan must be
offered and sold in compliance with Section 27 of the Investment Company Act of 1940; 2.
the proceeds of the investment in the plan must be placed in a dedicated fund; 3. the
investment objective of the underlying mutual fund must be capital growth; 4. the broker-
dealer or salesman must have determined that the plan is a suitable investment for the
potential investor; and 5. a disclosure document, approved by the Montana Securities
Commissioner, must be signed by the purchaser prior to or at the time of sale. The
registration of a contractual plan may be revoked, suspended or denied for failure to
comply with the foregoing provisions. * * * We will keep you advised of further
developments. Patricia Louie Assistant General Counsel Attachment

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