

MEMO# 5413

December 20, 1993

NASAA COMMITTEE CONSIDERING PROPOSAL TO REQUIRE DISCLOSURE OF SALES LOAD ON CONFIRMATION

December 20, 1993 TO: BROKER/DEALER ADVISORY COMMITTEE NO. 36-93 SEC RULES COMMITTEE NO. 112-93 STATE LIAISON COMMITTEE NO. 56-93 UNIT INVESTMENT TRUST COMMITTEE NO. 60-93 RE: NASAA COMMITTEE CONSIDERING PROPOSAL TO REQUIRE DISCLOSURE OF SALES LOAD ON CONFIRMATION

The Investment Company Sales Practices Committee of the North American Securities Administrators Association ("NASAA") is currently conducting a preliminary study of whether or not specific disclosure of investment company sales charges should be included on the confirmation statement. Currently, Rule 10b-10 of the Securities Exchange Act of 1934 does not require disclosure of investment company sales charges to be included on the confirmation. Please note, however, that the Securities and Exchange Commission is considering a proposal to amend Rule 10b-10 to require disclosure of investment company sales charges on the confirmation statement. Moreover, Article III, Section 26(n) of the NASD's Rules of Fair Practice requires disclosure on a confirmation statement when an investment company imposes a deferred charge on redeemed shares. The NASAA Committee is scheduled to meet January 21-22, 1994 to discuss this issue. In order to provide input to the NASAA Committee on this proposal, please provide me with your comments no later than Friday, January 14, 1994. My direct telephone number is 202/326-5821. Patricia Louie Associate Counsel