

MEMO# 5556

February 4, 1994

ALLOCATION PROCEDURES

February 4, 1994 TO: COMPLIANCE COMMITTEE NO. 3-94 INVESTMENT ADVISERS
COMMITTEE NO. 11-94 RE: ALLOCATION PROCEDURES

_____ At the last meetings of the Investment Advisers and Compliance Committees, we discussed two recent SEC enforcement actions involving the allocation procedures of an investment adviser to mutual funds and an investment adviser to private accounts. In light of these cases, the Institute is interested in obtaining copies of members' allocation procedures to compare the procedures adopted in different types of firms and to determine whether there are any industry standards in this area. If you are interested, we could discuss our findings at the next committee meetings. Please provide me with a copy of your firm's allocation procedures by February 18, 1994. All procedures will remain strictly confidential. Amy B.R. Lancellotta Associate Counsel

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