

MEMO# 8172

August 22, 1996

INSTITUTE COMMENT LETTER ON NASD TELEMARKETING RULE PROPOSAL

1 See Memorandum to Compliance Committee No. 22-96, Direct Marketing Committee No. 22-96, Sales Force Marketing Committee No. 25-96, SEC Rules Committee No. 87-96 and Unit Investment Trust Committee No. 33-96, dated August 2, 1996. August 22, 1996 TO: COMPLIANCE COMMITTEE No. 25-96 DIRECT MARKETING COMMITTEE No. 24-96 SALES FORCE MARKETING COMMITTEE No. 27-96 SEC RULES COMMITTEE No. 89-96 UNIT INVESTMENT TRUST COMMITTEE No. 35-96 RE: INSTITUTE COMMENT LETTER ON NASD TELEMARKETING RULE PROPOSAL

_____ As we previously advised you, the NASD recently proposed certain rule changes related to telemarketing.¹ The Institute has submitted a comment letter to the SEC requesting clarification that a provision in the NASDs proposal concerning "demand drafts" does not apply to certain telephonic or electronic transactions initiated by mutual fund shareholders. A copy of the Institutes comment letter is attached. Frances M. Stadler Associate Counsel
Attachment

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