

**MEMO# 9630**

February 2, 1998

# **INSTITUTE COMMENT LETTER ON SEC PROPOSED NEW RULE GOVERNING DELIVERY OF DOCUMENTS TO HOUSEHOLDS**

\* See Memorandum to Operations Committee No. 40-97, Transfer Agent Advisory Committee No. 67-97, SEC Rules Committee No. 113-97, Closed-End Investment Company Committee No. 47-97, and Unit Investment Trust Committee No. 68-97, dated November 19, 1997. [9630] February 2, 1998 TO: OPERATIONS COMMITTEE No. 4-98 TRANSFER AGENT ADVISORY COMMITTEE No. 4-98 SEC RULES COMMITTEE No. 5-98 CLOSED-END INVESTMENT COMPANY COMMITTEE No. 5-98 UNIT INVESTMENT TRUST COMMITTEE No. 5-98 RE: INSTITUTE COMMENT LETTER ON SEC PROPOSED NEW RULE GOVERNING DELIVERY OF DOCUMENTS TO HOUSEHOLDS

\_\_\_\_\_ The Institute recently filed with the Securities and Exchange Commission the attached comment letter on the Commission's proposal to allow "householding" (sending a single copy of a document to investors that share an address) of prospectuses and shareholder reports.\* The letter supports the proposal, but recommends certain changes. Currently, the proposal requires a group of investors to provide written consent before a person relying on the rule may household documents to those investors. A notice procedure may be used in lieu of written consent if the investors share a residence, are members of the same family, and established their securities accounts prior to the effective date of the rule. The letter recommends that the SEC allow householding using a notice procedure for all investors, regardless of when they established their accounts or whether they are members of the same family. In addition, the letter recommends that persons relying on the rule be permitted to provide such notice in the prospectus, rather than having to mail a separate written notice of the intent to household to each investor. The letter also recommends certain changes to and clarifications of the delivery requirements, scope and other provisions of the proposal. Joseph P. Savage Assistant Counsel Attachment