

MEMO# 11003

May 24, 1999

MARYLAND LEGISLATION REGARDING CLOSED-END FUNDS

1 See Memorandum to Closed-End Investment Company Committee No. 7-99, dated February 17, 1999. [11003] May 24, 1999 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 18-99 RE: MARYLAND LEGISLATION REGARDING CLOSED-END FUNDS

As we previously informed you,¹ on February 12, 1999, a bill was introduced in the Maryland legislature that, among other things, would allow the charter of a closed-end fund or any prospectus filed by the fund to require the fund to submit a proposal to its shareholders to take certain actions even if the fund's board of directors fails to recommend the proposal or to declare it advisable or recommends that the fund's shareholders reject it. These actions would include amending the fund's charter to convert to an open-end fund, to dissolve, to require the fund to make one or more tender offers for its shares, or "to take other action intended to eliminate any trading discount to net asset value" of the fund's shares. On May 13, Maryland Governor Glendening signed the bill (attached) into law. The law will take effect October 1, 1999. If you have any questions, please contact the undersigned by phone at (202) 371-5408, by fax at (202) 326-5839, or by e-mail at aburstein@ici.org. Ari Burstein
Assistant Counsel Attachment

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