

**MEMO# 5708**

March 23, 1994

## **ILLINOIS LEGISLATION**

March 23, 1994 TO: INVESTMENT ADVISERS COMMITTEE NO. 24-94 SEC RULES COMMITTEE NO. 37-94 STATE LIAISON COMMITTEE NO. 26-94 UNIT INVESTMENT TRUST COMMITTEE NO. 24-94 ILLINOIS MEMBERS RE: ILLINOIS LEGISLATION

As we previously advised you, the Honorable George Ryan, Illinois Secretary of State, has announced plans to have legislation introduced in the Illinois General Assembly that will amend the Illinois Securities Act. (See Memorandum to SEC Rules Committee No. 20-94, State Liaison Committee No. 17-94, Unit Investment Trust Committee No. 15-94, Investment Advisers Committee No. 15-94, dated February 24, 1994.) Of particular concern to the Institute is Section 7b of the legislation, which would require delivery of a Statement of Additional Information and a supplemental disclosure document with each prospectus prior to or at the time of sale. By letter dated March 7, 1994, the Institute wrote to Secretary Ryan to express our concerns with various provisions of the proposed legislation. Subsequent to sending this correspondence, representatives of the Institute met with representatives of Secretary Ryan's staff to discuss these concerns. After the meeting the Institute sent a letter to the Secretary's staff discussing in more detail some of the issues raised. A copy of the Institute's correspondence is attached. As of the date of this Memorandum, the legislation has not been introduced in the General Assembly. The Institute will continue to closely monitor this situation and keep you apprised of developments. Tamara K. Cain Assistant Counsel Attachments

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