

MEMO# 2503

January 30, 1991

CORRECTION TO MEMO ON GENERIC COMMENT LETTER

January 30, 1991 TO: ACCOUNTING/TREASURERS MEMBERS NO. 2-91 CLOSED-END FUND MEMBERS NO. 3-91 OPERATIONS MEMBERS NO. 2-91 SEC RULES MEMBERS NO. 3-91 UNIT INVESTMENT TRUST MEMBERS NO. 3-91 RE: CORRECTION TO MEMO ON GENERIC COMMENT LETTER _____ Our memo transmitting the Division of Investment Management's second generic comment letter (Memorandum to Accounting/Treasurers Members No. 1-91, Closed-End Fund Members No. 2-91, Operations Members No. 1-91, SEC Rules Members No. 2-91 and Unit Investment Trust Members No. 2-91, dated January 22, 1991) contained an error in the paragraph titled "Undertakings" under the section titled "Procedural Comments" (on page 2 of the memo). The staff's position is that a fund must undertake to hold its initial meeting of public shareholders (or its required meeting of public shareholders when adding a new series) within sixteen months of the date of effectiveness, not, as the memo stated, within sixteen months of the later of the effective date or the date of commencement of operations. However, the staff has stated that it will consider granting no-action relief to permit funds to delay this shareholders' meeting in cases where it can be demonstrated that it is not practicable to commence operations soon after the effective date. (See Memorandum to SEC Rules Members No. 84-90, dated December 11, 1990.) Please retain this memo or correct your copy of the earlier memo accordingly. Craig S. Tyle Associate General Counsel