

MEMO# 1914

May 15, 1990

PROPOSED VIRGINIA RULE FOR REFUND OF EXCESS REGISTRATION FEES PAID BY UITS

May 15, 1990 TO: UNIT INVESTMENT TRUST MEMBERS NO. 27-90 RE: PROPOSED VIRGINIA
RULE FOR REFUND OF EXCESS REGISTRATION FEES PAID BY UITS

As we previously informed you, legislation increasing the registration fees for unit investment trusts was passed by both houses of the Virginia General Assembly and will go into effect July 1, 1990 (Memorandum to Unit Investment Trust Members No. 24- 90, dated April 27, 1990). Pursuant to Section 509 of the Virginia Securities Act, the fee for registration of a unit investment trust will be one-twentieth of one percent of the maximum aggregate offering price of the securities proposed to be offered in Virginia, with a minimum fee of \$400 and a maximum fee of \$1,000. In connection with the increased registration fee, the Virginia Corporations Commission has proposed an administrative rule, Rule 401.1, that provides for the refund of a portion of the registration fees paid by unit investment trusts. Proposed Rule 401.1 provides that a unit investment trust may obtain a refund of that portion of the fee paid in excess of \$400 if (1) a Request for Refund Affidavit is submitted within sixty days of the Virginia effective date of the registration statement, (2) a shareholders list including the names and addresses of all persons who purchased units of the trust, the date of the purchase, number of units purchased, and gross purchase price is submitted, and (3) the amount of the refund is \$25 or more. A copy of proposed Rule 401.1 is attached. The Institute strongly encourages you to submit a comment letter with respect to proposed Rule 401.1 In particular, opposition should be expressed with respect to the requirement that a refund request be submitted within sixty days of the Virginia effective date and the requirement that a shareholders list be submitted. The deadline for filing comments and requests to be heard and present evidence in opposition to the proposed rule is Wednesday, May 23, 1990. They should be sent to the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, and should make reference to Case No. SEC900034. The proposed effective date of the proposed rule is July 1, 1990. We will keep you informed of developments. Patricia Louie Assistant General Counsel Attachments