

MEMO# 1818

April 4, 1990

SOUTH DAKOTA COMMENT LETTER

April 4, 1990 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 14-90 RE: SOUTH DAKOTA COMMENT LETTER _____ As we previously informed you, the South Dakota Securities Division recently proposed for public comment a rule that increased the filing requirements for unit investment trusts claiming the blue chip exemption from registration. (See Memo to Unit Investment Trust Committee No. 12-90, dated March 19, 1990.) Proposed section 20:08:06:21 would require a unit trust to include a copy of its most recent audited financial statement in its filing to claim the exemption. The Institute objected to this requirement as unnecessary inasmuch as the fee to claim the exemption is not tied in any manner to information contained in the financial statement. The Institute further noted that it is unlikely that any meaningful information would be contained in the unit trust's initial financial statement since deposit of the portfolio of securities would not have generally occurred at the time of filing the notice of claim of exemption. A copy of the Institute's letter is attached. We will keep you informed of developments. Patricia Louie Assistant General Counsel Attachment

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