

MEMO# 3946

July 30, 1992

INSTITUTE CONFERENCE ON REGULATION OF ASSET-BASED SALES CHARGES

July 30, 1992 TO: INSTITUTIONAL FUNDS COMMITTEE NO. 15-92 BANK INVESTMENT MANAGEMENT MEMBERS NO. 3-92 BOARD OF GOVERNORS NO. 50-92 OPERATIONS MEMBERS NO. 28-92 SEC RULES MEMBERS NO. 33-92 SMALL FUNDS MEMBERS NO. 14-92 TAX MEMBERS NO. 48-92 DIRECT MARKETING COMMITTEE NO. 26-92 MARKETING POLICY COMMITTEE NO. 28-92 PUBLIC INFORMATION COMMITTEE NO. 28-92 RESEARCH COMMITTEE NO. 12-92 SALES FORCE MARKETING COMMITTEE NO. 26-92 SHAREHOLDER COMMUNICATIONS COMMITTEE NO. 21-92 BROKER/DEALER ADVISORY COMMITTEE NO. 24-92 TRANSFER AGENT ADVISORY COMMITTEE NO. 41-92 ACCOUNTING/TREASURERS MEMBERS NO. 28-92 BROKER/DEALER ASSOCIATE MEMBERS NO. 11-92 BANK BROKER/DEALER ADVISORY COMMITTEE NO. 5-92 AD HOC TASK FORCE ON 12b-1 ISSUES RE: INSTITUTE CONFERENCE ON NASD REGULATION OF ASSET-BASED SALES CHARGES (12b-1 FEES) - SEPTEMBER 9, 1992

Earlier this month, the SEC approved the NASD's proposal to amend its Rules of Fair Practice to impose limits on "asset-based sales charges" (12b-1 fees) under the NASD's maximum sales charge rules. The amendments, which the NASD initially proposed in April 1990, will take effect on July 7, 1993. To assist our members in implementing the new provisions, the Institute is sponsoring a one day conference on the regulation of asset-based sales charges. The conference will be held on Wednesday, September 9, 1992 at the JW Marriott Hotel in Washington, DC. During the course of the day, three panels will discuss the following broad topics: background and structure of the NASD's sales charge rules, application to spread-load plans and application to non-spread-load plans. Ample time will be allotted for questions and answers. A preliminary program listing the panels and speakers is attached. To register for the conference, please complete and return the attached registration form. Please note that the conference is limited to Institute members and individuals having a business relationship with an Institute member. We ask that you make your hotel reservations directly with the JW Marriott, located at 1331 Pennsylvania Avenue, NW by calling the hotel at 202/393-2000. Be sure to mention that you will be attending the Institute conference as a block of rooms will be held in the Institute's name until August 19, 1992. We look forward to seeing you on September 9. Frances M. Stadler Assistant Counsel

should not be considered a substitute for, legal advice.