

MEMO# 2354

November 29, 1990

ALABAMA ADOPTS FORM TO CLAIM BLUE CHIP EXEMPTION

November 29, 1990 TO: STATE SECURITIES MEMBERS NO. 33-90 UNIT INVESTMENT TRUST MEMBERS NO. 75-90 RE: ALABAMA ADOPTS FORM TO CLAIM BLUE CHIP EXEMPTION

As we previously informed you, effective January 1, 1991, a qualified mutual fund or unit investment trust will be able to claim the blue chip exemption from registration. The blue chip exemption is an alternative to the registration process. (See Memorandum to State Securities Members No. 10-90 and Unit Investment Trust Members No. 21-90, dated April 18, 1990.) A qualified mutual fund or unit trust may claim the blue chip exemption by filing a completed Form NM and the appropriate fee. The fee to be submitted by a mutual fund is as follows: \$300 if a fund's total net assets are \$25,000,000 or less; \$600 if a fund's total net assets are more than \$25,000,000 but less than \$100,000,000 and \$1,000 if the fund's total net assets are \$100,000,000 or more. The fee for a unit trust is \$200. A copy for Form NM is attached. Mutual funds or unit trusts that do not qualify for, or elect not to claim, the blue chip exemption must register their securities. A fund or trust may register a definite amount of securities by submitting the documents required for registration by coordination and a filing fee of \$40 and a registration fee of one-tenth of one percent of the amount registered (maximum registration fee of \$1,000). In the alternative, a fund or trust may register an indefinite amount of securities by submitting the documents required for registration by coordination, a filing fee of \$40 and a registration fee of \$1,000 and a sales report within sixty days of each year the registration is effective. * * * We will keep you advised of further developments. Patricia Louie Assistant General Counsel Attachment

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