

MEMO# 3415

January 7, 1992

INSTITUTE LETTER ON RULE 482 LIABILITY

January 7, 1992 TO: SUBCOMMITTEE ON ADVERTISING NO. 1-92 1990 AD HOC COMMITTEE
RE: INSTITUTE LETTER ON RULE 482 LIABILITY

_____ As we previously informed you, the NASD requested that the Institute provide a formal statement of its position on the issue of liability for Rule 482 advertisements in connection with proposed changes to the securities laws to drop the requirement that the contents of Rule 482 ads be limited to information the "substance of which" appears in the statutory prospectus. (See Memorandum to Subcommittee on Advertising No. 7-91 and 1990s Ad Hoc Committee, dated December 10, 1991.) Attached is a copy of the Institute's response to the NASD. In the letter, the Institute states that it does not believe that it is necessary to remove Rule 482 advertisements from the scope of prospectus liability in connection with the removal of the "substance of which" requirement. However, the letter states that advertisements whose contents are limited to that allowed under Rule 134 should continue to not be treated as prospectuses for liability purposes. We will keep you informed of developments.
Craig S. Tyle Deputy General Counsel Attachment

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