

MEMO# 1235

June 23, 1989

LEGAL INVESTMENT LAWS SURVEY

June 23, 1989 TO: SEC RULES COMMITTEE NO. 31-89 UNIT INVESTMENT TRUST COMMITTEE NO. 28-89 CLOSED-END FUND COMMITTEE NO. 21-89 BROKER/DEALER ADVISORY COMMITTEE NO. 29-89 MARKETING COMMITTEE NO. 19-89 RE: LEGAL INVESTMENT LAWS SURVEY _____

The Institute is in the process of preparing a survey of the laws of the various states of the United States, the District of Columbia and the Commonwealth of Puerto Rico concerning the legality for certain entities to invest in investment company shares (i.e., mutual funds, closed-end funds and unit investment trusts). The survey is intended to obtain information on various issues including: (1) the types of entities that are restricted from or are subject to limitations with respect to investing in investment company shares; (2) the nature of those restrictions and limitations; (3) the applicable requirements for investment companies whose shares are permissible investments; and (4) the limitations, if any, on the portfolio securities of those companies. We are interested in any suggestions or comments that you may have for the survey. For example, please let us know if there are specific issues in which you are particularly interested. Upon completion of the survey, the Institute will distribute the findings which will be updated periodically. We also will determine whether the Institute should seek to modify restrictive legal investment laws in certain states. Please provide me with your suggestions or comments concerning the survey by July 21, 1989. My direct number is (202) 955-3523. Amy B. Rosenblum Assistant General Counsel

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