

MEMO# 3251

November 8, 1991

INSTITUTE COMMENT LETTER SUPPORTS PROPOSED MUTUAL FUND PROXY FORWARDING REQUIREMENTS

November 8, 1991 TO: SEC RULES COMMITTEE NO. 64-91 RE: INSTITUTE COMMENT LETTER
SUPPORTS PROPOSED MUTUAL FUND PROXY FORWARDING REQUIREMENTS

As reported earlier, the SEC has proposed amendments to certain shareholder communications and related rules under the Securities Exchange Act of 1934 to implement provisions of the Shareholder Communications Improvement Act of 1990. (See Memorandum to SEC Rules Committee No. 50-91, dated August 29, 1991.) Under the proposal, banks and brokers and dealers holding investment company shares in nominee name would be required to forward proxy materials and information statements to the beneficial owners of the securities. The Institute recently filed the attached comment letter, expressing support for the Commission's proposal on the basis that it might decrease the amount of time and effort investment company registrants currently must spend contacting banks and brokers to make sure that materials are transmitted to beneficial owners so that a necessary vote can be achieved. Frances M. Stadler Assistant General Counsel Attachment

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