

MEMO# 3528

February 19, 1992

INSTITUTE COMMENTS ON PROPOSED AMENDMENT TO MANUAL EXEMPTION RULE IN UTAH

February 19, 1992 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 10-92 RE: INSTITUTE
COMMENTS ON PROPOSED AMENDMENT TO MANUAL EXEMPTION RULE IN UTAH

As we previously advised you, last year legislation was enacted in Utah which amends the manual exemption contained in Section 61-1-14(2)(b) of the Utah Uniform Securities Act. As a result of this legislative change, the Utah Securities Division amended Rule R177-14-2b to require that the financial statements contained in a manual listing must contain an unqualified audit report by an independent certified accountant. The Institute contacted the staff of the Securities Division to discuss the effect this requirement may have on sponsors of unit trusts relying on the manual exemption for resales in Utah. (See Memorandum to Unit Investment Trust Members No. 13-91, dated March 20, 1991.) The Institute recently met with the staff of the Securities Division to discuss a proposal currently under consideration by the Securities Division which would revise the financial statement requirement in order that unit trusts may rely on the manual exemption. However, the proposal also requires the filing of a notice and payment of a fee in order to claim the exemption. The Institute submitted the attached letter to the Securities Division which sets forth the ramifications that imposition of a fee would have on the resale market for units of unit trusts in Utah. As an alternative to revising the financial statement requirements of the manual exemption rule, the Institute recommended that the Securities Division specifically find that registration for resales of units of unit trusts is not necessary for the protection of the public if the initial offer and sale was registered or an initial notice to claim the blue chip exemption from registration was filed. We will keep you advised of developments. Patricia Louie Assistant General Counsel Attachment

Source URL: <https://icinew-stage.ici.org/memo-3528>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.