

**MEMO# 1089**

April 6, 1989

## **PLAN OF ACTION TO OBTAIN AND DEFEND STATE EXEMPTIONS FOR RESALE OF UNITS**

April 6, 1989 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 16-89 RE: PLAN OF ACTION TO OBTAIN AND DEFEND STATE EXEMPTIONS FOR RESALE OF UNITS

At the meeting on March 21, 1989, the Unit Investment Trust Committee discussed problems concerning the use of the "manual" exemption for resales in the states. As you are aware, the manual exemption is being challenged by several states. The Committee decided that the Institute should continue to be proactive in seeking the "blue chip" exemption in as many states as possible every year and should be prepared to be reactive to any challenge to existing exemptions for resales. In order for the Institute to be fully prepared to react to a challenge to an existing exemption, we must have certain readily accessible information. Such information, for each state, includes: the name and telephone number of a lobbyist and/or attorney, any contacts in the legislature and/or governor's office, the number of state series that you have deposited, the amount of underlying portfolio securities purchased, an estimate of the number of unit holders, and any exemption, no-action letter or Order, that is relied upon for resales. Scott Martin, Van Kampen Merritt, Inc., developed the attached chart which requests such information. Each sponsor should complete and return this chart to the Institute by April 28, 1989. In addition, in January, each sponsor was asked to provide the Institute with information concerning "blue sky" fees and costs. Please check to see that this information has been sent to the Institute. Finally, each sponsor should be able to supply the following information to the Institute upon request: the principal firms from whom you purchase portfolio securities contained in the trusts, attorneys or government officials with whom you work on a regular basis when purchasing portfolio securities and the name and phone number of every broker-dealer branch manager. - 2 - The information requested above is crucial to an effective defense of any exemption for resales that is challenged. Please contact the Institute if you have any questions. Natalie Shirley Associate General Counsel Attachment