

MEMO# 2637

March 21, 1991

INSTITUTE TESTIFIES BEFORE VERMONT LEGISLATIVE COMMITTEE FOR BLUE CHIP EXEMPTION

March 21, 1991 TO: STATE LIAISON COMMITTEE NO. 9-91 UNIT INVESTMENT TRUST
COMMITTEE NO. 11-91 RE: INSTITUTE TESTIFIES BEFORE VERMONT LEGISLATIVE
COMMITTEE FOR BLUE CHIP EXEMPTION

_____ The Institute recently testified before the Vermont House Commerce Committee to request the Committee's support for inclusion of the blue chip exemption for qualified mutual funds and unit investment trusts in a bill pending before the Committee (S.B. 72). A copy of the Institute's testimony is attached. The Vermont Department of Banking, Insurance and Securities also testified before the Committee on this matter and requested that the Committee defer including the blue chip exemption until the Securities Division has the opportunity to conduct additional study with respect to the scope of federal regulation imposed on investment companies and the ramifications that the exemption would have for Vermont investors. Given the Department's request, the Committee decided not to include the blue chip exemption in the legislation this year; however, the Chair of the Committee specifically requested the Securities Division to conduct its study in a timely manner so that the exemption could be introduced next year. The Institute will continue to work with the Department and the Securities Division to gain their support for the blue chip exemption. * * * We will keep you advised of further developments. Patricia Louie Assistant General Counsel Attachment

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