

MEMO# 12284

July 18, 2000

JOINT SUBMISSION TO DEPARTMENT OF LABOR ON CROSS-TRADES

[12284] July 18, 2000 TO: INVESTMENT ADVISERS COMMITTEE No. 19-00 PENSION COMMITTEE No. 49-00 AD HOC COMMITTEE ON CROSS-TRADES RE: JOINT SUBMISSION TO DEPARTMENT OF LABOR ON CROSS-TRADES As you are aware, the Institute, in conjunction with the Investment Counsel Association of America ("ICAA"), the Association for Investment Management ("AIMR") and the Securities Industry Association ("SIA"), drafted a joint letter to the Department of Labor to address issues raised by Department representatives at the February hearing on active cross-trades issues.¹ Attached is a final copy of the letter that was recently submitted to the Department. In particular, the letter discusses the respective duties of plan fiduciaries and investment company board of directors and proposes a disclosure regime to enable plan fiduciaries to review cross-trades activities. We anticipate scheduling a meeting involving ICI, ICAA, AIMR, SIA representatives and Department staff to discuss the issues raised in the letter in greater detail. If you have any questions or comments about the letter, please call me at (202) 218-3563 or Russ Galer at (202) 326-5835. Kathryn A. Ricard Associate Counsel Attachment Attachment (in .pdf format) 1 See Institute Memorandum to Investment Advisers Committee No. 16-00 and Pension Committee No. 36-00, dated May 22, 2000.

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