

MEMO# 10733

February 17, 1999

MARYLAND LEGISLATION REGARDING CLOSED-END FUNDS

[10733] February 17, 1999 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 7-99
RE: MARYLAND LEGISLATION REGARDING CLOSED-END FUNDS

On February 12, a bill was introduced in the Maryland legislature (attached) that, among other things, would allow a closed-end fund, but not its shareholders, to submit a proposal to the fund's shareholders to take certain actions even if the fund's board of directors fails to recommend the proposal or to declare it advisable or recommends that the fund's shareholders reject it. These actions would include amending the fund's charter to convert to an open-end fund, to dissolve, to require the fund to make one or more tender offers for its shares, or "to take other action intended to eliminate any trading discount to net asset value" of the fund's shares. Please provide me with your comments by phone at (202) 371-5408, by fax at (202) 326-5841, or by e-mail at aburstein@ici.org. Ari Burstein
Assistant Counsel Attachment

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.