

MEMO# 4507

February 16, 1993

CLOSED-END FUND ISSUANCE OF LONG-TERM STOCKY WARRANTS

February 16, 1993 TO: CLOSED-END FUND COMMITTEE NO. 4-93 RE: CLOSED-END FUND ISSUANCE OF LONG-TERM STOCKY WARRANTS

_____ At the meeting of the Closed-End Fund Committee held on February 2, 1993, the Committee discussed whether it would be appropriate for the Institute to approach the SEC staff with a proposal for regulatory and/or legislative changes that would permit closed-end funds to issue long-term warrants. Shortly before the meeting, we had distributed to the Committee a memorandum prepared by outside counsel on issues relating to this matter. (See Memorandum to Closed-End Fund Committee No. 3-93, dated January 28, 1993.) Committee members present at the meeting expressed the desire to further reflect on the memorandum before deciding whether the Institute should work on a proposal to present to the SEC staff. In addition, these Committee members wished to discuss with marketing personnel at their firms whether the potential benefits of having the ability to issue long-term warrants would be so significant as to suggest that the Institute should devote its resources to this project at this time. The Institute agreed to follow up with a survey of the Committee to determine if there is sufficient interest in going forward and, in particular, whether Committee members anticipate that they would take advantage of the ability to issue long-term warrants if it were available. Accordingly, please indicate your position below, and return the completed form to me by mail or fax (202/659-1519) by Monday, March 1. Frances M. Stadler Assistant Counsel ----- The Institute should seek regulatory and/or legislative changes that would permit closed-end funds to issue long-term warrants.

YES NO Name Firm Date