

MEMO# 2222

September 27, 1990

OREGON ADMINISTRATIVE RULE CLARIFIES PROCEDURES FOR BLUE CHIP EXEMPTION

- 1 - September 27, 1990 TO: STATE SECURITIES MEMBERS NO. 30-90 UNIT INVESTMENT TRUST MEMBERS NO. 64-90 BLUE SKY GUIDE RECIPIENTS RE: OREGON ADMINISTRATIVE RULE CLARIFIES PROCEDURES FOR BLUE CHIP EXEMPTION

_____ Oregon Rule 441-25-045 which became effective on August 8, 1990, makes explicit certain procedures for claiming and maintaining the blue chip exemption available to qualified mutual funds and unit investment trusts, pursuant to Section 59.025(14) of the Oregon Securities Law. The procedure for claiming the exemption initially has not changed. Qualified funds and trusts file, as before, the Notice of Intention to Sell Securities and the appropriate fee (one filing for each prospectus). A spokesman from the Oregon Corporate Securities Section confirmed that the form itself has not been revised; the one in the Institute's Blue Sky Guide is current. The new rule clarifies post-effective and renewal requirements for maintaining the exemption: (1) An amendment must be filed in Oregon if any information contained in the Notice of Intention to Sell Securities changes. The amendment becomes effective upon receipt and no fee is required. (2) The form and fee for renewal is the same as for the initial claim of exemption and must be submitted annually. If received in the office of the Oregon Securities Section prior to the anniversary date of the initial filing, the effective date remains the anniversary date. If, however, the notice and fees are received after the anniversary date, the effective date becomes the date of receipt and continues for one year from that date. Additionally, a late renewal must be accompanied by - 2 - a letter stating the amount of securities sold during the period between the expiration date and the date of receipt. Upon receipt of an initial filing or renewal, the Director will notify the issuer of the effectiveness of the filing. A copy of the relevant rule is attached. Susan S. Burgess Legal Assistant Attachment