

MEMO# 9407

November 12, 1997

INSTITUTE DRAFT LETTER REGARDING PROPOSED AMENDMENTS TO SHAREHOLDER PROPOSAL RULES

* See Memorandum to Closed-End Investment Company Committee No. 36-97, SEC Rules Committee No. 97-97, dated September 30, 1997. [9407] November 12, 1997 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 44-97 SEC RULES COMMITTEE No. 109-97 RE: INSTITUTE DRAFT LETTER REGARDING PROPOSED AMENDMENTS TO SHAREHOLDER PROPOSAL RULES

_____ As we previously informed you, the Securities and Exchange Commission recently issued a release seeking comment on proposed amendments to the shareholder proposal rules under the Securities Exchange Act of 1934.* Attached for your review is the Institutes draft letter to the Commission. The letter strongly objects to the Commissions recent administration of the shareholder proposal process with respect to closed-end investment companies. It also strongly objects to the proposed override mechanism. In addition, the letter makes several recommendations, including, making more stringent the eligibility requirements for resubmitting shareholder proposals and continuing the Commissions review of collateral facts to prove a proposal is motivated by a personal grievance. The comment letter must be filed with the Commission by November 25, 1997. Therefore, please contact me by phone at 202/326-5821, fax at 202/326-5827, or e-mail at donohue@ici.org as soon as possible but no later than noon on Friday, November 21st with any comments on the attached draft letter. Dorothy M. Donohue Associate Counsel Attachment (in .pdf format)