

MEMO# 1913

May 15, 1990

NOTICE AND FEE TO CLAIM BLUE CHIP EXEMPTION FROM REGISTRATION IN NEW MEXICO

May 15, 1990 TO: CONTRACTUAL PLANS COMMITTEE NO. 4-90 RE: NOTICE AND FEE TO
CLAIM BLUE CHIP EXEMPTION FROM REGISTRATION IN NEW MEXICO

As an alternative to registering securities in New Mexico, contractual plans may claim the blue chip exemption from registration provided for in Section 58-13B-26 of the New Mexico Securities Act. The statute provides an exemption from registration for qualified mutual funds and unit trusts. A mutual fund is qualified to claim the exemption if its investment adviser has been registered with the SEC for three or more years. A unit trust may claim the exemption if its sponsor has sponsored SEC registered investment companies for at least three years and has aggregate total assets of \$100 million or more. In order to claim the exemption, a mutual fund or unit trust must submit a Notice of Intention to Sell and the appropriate filing fee. The Institute was recently notified by the New Mexico Securities Division that the Division has taken the position that if a contractual plan organized as a unit trust is claiming the blue chip exemption from registration, then the plan must annually claim the exemption since the initial public offering will extend beyond a twelve month period. We will keep you informed of any additional developments. Patricia Louie Assistant General Counsel

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