

MEMO# 3770

May 11, 1992

INSTITUTE REQUESTS VERMONT TO ADOPT INDEFINITE REGISTRATION

May 11, 1992 TO: STATE LIAISON COMMITTEE NO. 19-92 UNIT INVESTMENT TRUST COMMITTEE NO. 27-92 RE: INSTITUTE REQUESTS VERMONT TO ADOPT INDEFINITE REGISTRATION _____ Legislation has passed both houses of the Vermont Legislature and is currently pending before the Governor which substantially increases the registration fee for issuers of securities. House Bill 601 increases the minimum registration fee to \$250 and the maximum registration fee to \$1,000. Currently, the registration fee in Vermont is a minimum of \$50 and a maximum of \$500. The Institute has contacted both the Governor's Office and the Department of Banking, Insurance and Securities to discuss the impact the fee increase would have on mutual funds and unit trusts. The Deputy Director of the Department of Banking, Insurance and Securities has indicated a willingness to administratively adopt a "true indefinite" registration procedure in order to alleviate the economic burden of the fee increase. Under this procedure, a mutual fund or unit trust would be able to register an indefinite amount of securities by payment of the minimum fee. Within 60 days of the expiration of the issuer's registration statement, the fund or trust would submit a sales report and any additional fees due. Such a procedure eliminates the oversales problem and enables a fund or trust to pay a registration fee based on actual sales in Vermont. A copy of the Institute's letter to the Deputy Director outlining this procedure is attached. We will keep you advised of developments. Patricia Louie Assistant General Counsel Attachment