

MEMO# 6122

August 10, 1994

VERMONT CLARIFIES FILING REQUIREMENT FOR PROSPECTUS WRAPPERS

August 10, 1994 TO: SEC RULES COMMITTEE NO. 87-94 STATE SECURITIES MEMBERS NO. 42-94 SUBCOMMITTEE ON ADVERTISING NO. 16-94 UNIT INVESTMENT TRUST COMMITTEE NO. 53-94 RE: VERMONT CLARIFIES FILING REQUIREMENT FOR PROSPECTUS WRAPPERS

_____ Last month, the Vermont Securities Division issued Bulletin 94-1-S, which sets forth certain requirements for mutual funds using prospectus wrappers in Vermont and reminds issuers that in accordance with Section 4234(b) of the Vermont Securities Act, sales literature must be submitted to the Securities Division for approval. The Institute wrote to the Securities Division to, among other things, point out several unanswered interpretive issues, including whether sales literature must be stickered to meet the July 15, 1994 effective date. (See Memorandum to State Securities Members No. 39-94, SEC Rules Committee No. 78-94, Unit Investment Trust Committee No. 48-94 and Subcommittee on Advertising No. 14- 94, dated July 14, 1994.) The Director of the Securities Division recently notified the Institute to clarify the filing requirement. According to the Director, sales literature filed prior to July 15, 1994 does not have to re-filed with the Division or include the disclosure set forth in the Bulletin. If, however, the sales literature is amended in any manner after July 15, 1994, it must be re-filed with the Securities Division and comply with the provisions of the Bulletin. Sales literature filed after July 15, 1994 must comply with the Bulletin. The Institute will continue to work with the Securities Division to resolve the remaining issues associated with the provisions of the Bulletin and will keep you advised of any developments. Patricia Louie Associate Counsel