

MEMO# 10706

February 5, 1999

SEC ANNOUNCES ROUNDTABLE ON ROLE OF INDEPENDENT DIRECTORS

[10706] February 5, 1999 TO: DIRECTOR SERVICES COMMITTEE No. 5-99 PRIMARY CONTACTS - MEMBER COMPLEX No. 9-99 RE: SEC ANNOUNCES ROUNDTABLE ON ROLE OF INDEPENDENT DIRECTORS

_____ The Securities and Exchange Commission has scheduled a Roundtable on the Role of Independent Investment Company Directors. You may recall that SEC Chairman Arthur Levitt announced his intention to sponsor such a Roundtable during his speech to the 1998 General Membership Meeting. According to the SEC's media advisory announcing the schedule, the Roundtable will explore the critical role of independent directors in protecting the interests of shareholders and will explore recommendations to improve the current system of fund governance. The panel topics expected to be covered at the Roundtable include: 1) fees and expenses; 2) distribution and brokerage arrangements; 3) disclosure; and 4) valuation of fund portfolio securities. Each panel will consist of a mix of independent directors, senior fund executives, legal experts, investor advocates, leading academics and others. The Roundtable will be held on February 23-24 at the offices of the SEC in Washington, D.C. and will be open to the public. The Institute has sent a letter to Chairman Levitt and the other Commissioners congratulating them on the Roundtable. On behalf of the fund industry, the letter welcomed this examination of the role of independent directors and any recommendations that might arise from it concerning ways to enhance the effectiveness of independent directors. A copy of the SEC media advisory and the letter to Chairman Levitt are attached. Matthew P. Fink President Attachments

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