

MEMO# 6678

February 21, 1995

MEMBER LETTERS TO SEC ON INVESTMENT ADVISER PRINCIPAL TRANSACTIONS

1 See Memorandum to Investment Advisers Committee No. 61-94, dated December 27, 1994 (a copy of which is attached). February 21, 1995 TO: INVESTMENT ADVISERS COMMITTEE No. 14-95 RE: MEMBER LETTERS TO SEC ON INVESTMENT ADVISER PRINCIPAL TRANSACTIONS

_____ At the February 15th Investment Advisers Committee meeting, we discussed the Institute's letter to the SEC requesting that it reconsider its interpretation of the phrase "completion of such transaction" for purposes of Section 206(3) of the Investment Advisers Act of 1940, which was expressed in a footnote in a litigation release last August.¹ It is our understanding that the SEC staff is currently considering the concerns raised in our letter. As we discussed at the February 15th meeting, the SEC's consideration of this matter could be furthered by letters from members explaining the impact of the SEC's interpretation on the operations and practices of individual firms. To assist firms that are interested in submitting such a letter, I have attached a copy of the Institute's letter (separate copies of which were sent to the individual commissioners) and the names and addresses of the SEC Commissioners and the Director of the Division of Investment Management. We would appreciate receiving copies of letters sent to the Commission on this matter. Amy B.R. Lancellotta Associate Counsel Attachments

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