

**MEMO# 941**

January 24, 1989

## **DRAFT COMMENT LETTER ON RULE 144A**

January 24, 1989 TO: SEC RULES COMMITTEE NO. 8-89 INVESTMENT ADVISERS COMMITTEE  
NO. 3-89 RULE 144A SUBCOMMITTEE RE: DRAFT COMMENT LETTER ON RULE 144A

Attached for your review is a draft comment letter developed as a result of a Rule 144A subcommittee meeting at the Institute on December 12, 1988. There are some issues for which the subcommittee was unable to reach a convincing consensus, and we would appreciate your specific responses on the following: 1. Qualified Institutional Buyer (Tier 1) - Should the asset minimum of \$100 million be lowered to include a broader class of institutions? Would \$50 million accomplish the same objective? (Pages 2-3 of draft letter.) 2. Information on Junk Bonds - See discussion on page 3 of letter. Should we mention this issue? Add any other points? 3. Institutional Buyer (Tiers 2 and 3) - The definition of the smaller institutional category of Tier 2 and 3 does not include separate qualification for investment advisers. We are suggesting that they create a separate category and impose no asset requirement. If they decide to do so, then we state the measure should be assets under management and not capitalization. Should we suggest a specific asset amount? Please call me at (202) 955-3523 if you have any comments on this letter by 12 o'clock noon on Friday, January 27th. Susan P. Hart Assistant General Counsel Attachment

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