

MEMO# 2118

August 15, 1990

INSTITUTE COMMENT LETTER ON CALIFORNIA PROPOSED REGULATION EXEMPTING RESALES OF UNIT TRUSTS

August 15, 1990 TO: UNIT INVESTMENT TRUST MEMBERS NO. 56-90 RE: INSTITUTE COMMENT LETTER ON CALIFORNIA PROPOSED REGULATION EXEMPTING RESALES OF UNIT TRUSTS _____ The California Department of Corporations has issued a proposed regulation that would provide an exemption for resales of units in a unit trust by the sponsor, provided that (1) the initial offer and sale of the units was previously qualified under Section 25111 of the Corporate Securities Law of 1968, (2) there has been no material change in the offering, (3) the offering is in accordance with the terms and conditions of the previous qualification, (4) the units are redeemed in accordance with the Investment Company Act of 1940, (5) the offer and sale is in accordance with the Securities Act of 1933 and (6) the sponsor is a licensed broker-dealer in California. The Institute submitted a comment letter supporting the adoption of the proposed regulation. In addition, the Institute recommended that the term "redeemed" be replaced with the term "redeemable" in subparagraph (b) of the proposed regulation in order that the language be technically correct. A copy of the Institute's letter is attached. We will keep you informed of developments. Patricia Louie Assistant General Counsel Attachment

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