

MEMO# 2288

October 24, 1990

CALIFORNIA AMENDS PROPOSED REGULATION EXEMPTING RESALES OF UNIT TRUSTS

October 24, 1990 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 47-90 RE: CALIFORNIA
AMENDS PROPOSED REGULATION EXEMPTING RESALES OF UNIT TRUSTS

As we previously informed you, the California Corporations Commission proposed a rule to exempt resales of units in a unit trust by the sponsor of the trust under certain circumstances. (See Memorandum to Unit Investment Trust Committee No. 32-90, dated July 25, 1990.) After receiving comments from the Institute and its members, the Corporations Commission issued an amended proposed regulation for resales of units in a unit trust. The amended proposed regulation exempts resales of a unit trust by the sponsor of the trust or through a broker-dealer, provided that (1) the offer and sale of the units was previously qualified in California, (2) there has been no material change in the offering, (3) the units are repurchased by the broker-dealer or sponsor and are redeemable in accordance with the provisions of the Investment Company Act of 1940, (4) the offer and sale is in accordance with the Securities Act of 1933 and the Investment Company Act of 1940 and (5) the sponsor or broker-dealer is a broker-dealer licensed in California. A copy of the amended proposed rule is attached. Comments on the amended proposed rule are due no later than Monday, November 5, 1990 and should be addressed to Robert M. Arhelger, Senior Corporations Counsel, Office of Policy, Department of Corporations, 1107 Ninth Street, 8th Floor, Sacramento, California 95814-3610. We will keep you informed of developments. Patricia Louie Assistant General Counsel Attachment