

MEMO# 2724

April 29, 1991

CALIFORNIA SUPREME COURT REFUSES TO REVIEW DECISION DECLARING PROPOSITION 105 UNCONSTITUTIONAL

April 29, 1991 TO: SEC RULES MEMBERS NO. 28-91 STATE SECURITIES MEMBERS NO. 19-91
CLOSED-END FUND MEMBERS NO. 18-91 UNIT INVESTMENT TRUST MEMBERS NO. 17-91 RE:
CALIFORNIA SUPREME COURT REFUSES TO REVIEW DECISION DECLARING PROPOSITION
105 UNCONSTITUTIONAL _____ On
Thursday, April 25, 1991, the California Supreme Court declined to hear a challenge to a
California Court of Appeal decision declaring Proposition 105 unconstitutional. As you know,
Proposition 105 required all corporations selling securities in California to include disclosure
in their prospectuses as to whether or not that corporation does business in South Africa. In
light of the California Supreme Court's action, the Court of Appeal decision declaring
Proposition 105 unconstitutional becomes final. Therefore, corporations need not include
the South Africa disclosure in their prospectuses. Patricia Louie Assistant General Counsel

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