

MEMO# 1409

September 18, 1989

RESALES OF UNITS AFTER REPEAL OF THE VIRGINIA MANUAL EXEMPTION

September 18, 1989 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 63-89 RE: RESALES OF
UNITS AFTER REPEAL OF THE VIRGINIA MANUAL EXEMPTION

Effective July 1, 1989, Virginia repealed its manual exemption. The Institute has been working with the Virginia Division of Securities to resolve issues concerning the resale of units of unit trusts that were raised by the repeal of the manual exemption. Unfortunately, no fully acceptable solution has been reached. The Institute recently received the attached letter from the Division setting forth a procedure for annually amending the registration of unit trusts that the sponsor wishes to sell in Virginia after July 1, 1989 by paying a \$300 fee and a procedure for withdrawing other trusts. The letter also stated that the sponsors would be required to make certain representations regarding the ability of Virginia unitholders to purchase and sell units. However, in subsequent conversations, the Director of the Division indicated that his office will send each sponsor a list of all the trusts that the Division believes are currently effective and will require the sponsor to amend the registration of every unit trust with an anniversary date between July 1, 1989 and the date of the notice. Thereafter, the sponsor may select the unit trusts it wishes to amend or withdraw. In addition, the Director indicated that language other than the representations set forth in the letter may be acceptable. The Institute will attempt to clarify the procedure. Natalie Shirley Associate General Counsel Attachment