

MEMO# 11566

January 21, 2000

ADDITIONAL MATERIAL FOR CONFERENCE CALL ON INVESTMENT ADVICE SCHEDULED FOR JANUARY 27, 2000, 3:00 PM EST

1 See Institute Memorandum to Pension Committee No. 5-00, dated January 20, 2000. For prior memoranda relating to the investment advice issue, see Institute Memorandum to Pension Committee No. 67-99, dated November 23, 1999 and Institute Memorandum to Pension Committee No. 62-99, dated November 3, 1999. [11566] January 21, 2000 VIA FACSIMILE TO: PENSION COMMITTEE No. 6-00 AD HOC COMMITTEE ON INVESTMENT ADVICE RE: ADDITIONAL MATERIAL FOR CONFERENCE CALL ON INVESTMENT ADVICE SCHEDULED FOR JANUARY 27, 2000, 3:00 PM EST

_____ As we indicated in a prior memorandum,¹ a conference call has been scheduled for Thursday, January 27, 2000 at 3:00 p.m. EST to continue our discussions regarding the investment advice issue. Enclosed with that memorandum was an outline of a legislative proposal to facilitate the delivery of investment advice to participants. The outline reflects member comments from a December 14th meeting at the Institute. Specifically, the approach would seek a statutory exemption for the delivery of investment advice from ERISA's prohibited transaction rules, provided that certain conditions are satisfied. The advice provider also would become a fiduciary by virtue of providing such advice. Enclosed for your review is additional material that addresses certain aspects of the Investment Advisers Act relevant to the investment advice issue. The enclosed memorandum includes a discussion of the scope of the term "investment adviser," the fiduciary duties of investment advisers, the Act's disclosure obligations, and the remedies available under the Act. If you have not already signed up for the conference call and would like to participate, please fill out the attached response form and send it to Daniel Ayers by Wednesday, January 26, 2000. If you have any questions or comments, please call Russ Galer at (202) 326-5835, Kathryn Ricard at (202) 218- 3563 or myself at (202) 326-5837. Thomas T. Kim Assistant Counsel Attachments RESPONSE FORM FOR INSTITUTE CONFERENCE CALL ON INVESTMENT ADVICE THURSDAY, JANUARY 27, 2000 AT 3:00 PM EST Please fax this form by Wednesday, January 26, 2000 to Daniel Ayers at (202) 326-5839. Yes, I will participate on the Conference Call on Thursday, January 27, 2000 at 3:00 p.m. EST. To participate on the call, dial (800) 523-5415 and ask for the Investment Company Institute call, confirmation number 3011985.

_____ Committee Member
_____ Company _____ Phone
Number _____

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.