MEMO# 7536

January 5, 1996

White Paper on Conversion of B to A Shares

January 5, 1996 TO: OPERATIONS MEMBERS No. 2-96 BANK BROKER/DEALER ADVISORY COMMITTEE No. 1-96 BROKER/DEALER ADVISORY COMMITTEE No. 1-96 TRANSFER AGENT ADVISORY COMMITTEE No. 1-96 RE: WHITE PAPER ON CONVERSION OF B TO A SHARES ____ A task force of the InstituteGs Transfer Agent Advisory Committee recently prepared a White Paper discussing the operational and systems issues related to converting B shares to A shares. This document was developed to address issues that may arise when a mutual fund complex prepares for its initial conversion of shares. Guidance with respect to preparing for the conversion, the conversion itself, and post-conversion issues are presented in the attached document. Also included are results of a survey conducted by the task force to determine current industry practices with respect to converting B shares to A shares. The task force was chaired by Mary Crooks of Oppenheimer and the following individuals participated in the research and preparation of the document: Mary Crooks, Oppenheimer - Chair Michael Collins - Rochester Funds Lester Duman - PNC Financial Services Edward Falvey - Keystone Investments Charles Hawkins - PNC Financial Services Emily Hutchinson - The Colonial Group Tom Lanio - Van Kampen American Capital Roni Mizrahi - The Colonial Group Dave Pineda - Oppenheimer Lois Rettinger - National Investors Data Services Steve Shedlock - Massachusetts Financial Services We wish to extend our appreciation to the task force on behalf of the Transfer Agent Advisory Committee for their time and effort in preparing this information. If you have any questions regarding this document, please contact Justine Phoenix at 202/326-5850. Cynthia Jones Justine Phoenix Colonial Investors Service Center Director - Operations/ Chair - Transfer Agent Advisory Committee Transfer Agency Attachment