

MEMO# 3576

March 10, 1992

INSTITUTE COMMENTS ON PROPOSED MISSOURI FEE CHANGE

March 10, 1992 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 14-92 RE: INSTITUTE COMMENTS ON PROPOSED MISSOURI FEE CHANGE

As we previously informed you, the Missouri Securities Division had proposed an amendment to 15 CSR 30-50.030(2)(A)(5) to require sponsors of unit trusts to register a definite, rather than indefinite, amount of units in Missouri. (See Memorandum to Unit Investment Trust Committee No. 9-92, dated February 18, 1992.) According to a staff member of the Securities Division, the proposed amended rule will be modified so that unit trust sponsors will be able to register an indefinite amount of securities and fall under the \$1,000 maximum registration fee that is available for non-investment company issuers. Under the modified proposed amendment, a unit trust sponsor would register \$100,000 of securities for an initial registration fee of \$100. At the end of the registration period, a sales report must be filed and additional registration fees of 1/20th of 1% of actual sales in excess of \$100,000 must be paid. The Institute submitted a comment letter in support of the modified proposed amendment. The Institute noted that under the modified proposal, unit trust sponsors will not have to predict the number of sales that may occur in each series of a trust or register more units than is expected to be sold in Missouri in order to avoid the problem of oversales. Thus, the most positive attributes of the two types of registration in Missouri for unit trust sponsors. A copy of the Institute's comment letter is attached. We will keep you advised of developments.

Patricia Louie Assistant General Counsel Attachment

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