

**MEMO# 1884**

April 30, 1990

## **CALIFORNIA MONEY MARKET LEGISLATION DROPPED**

April 30, 1990 TO: BOARD OF GOVERNORS NO. 33-90 MONEY MARKET MEMBERS - ONE PER COMPLEX NO. 7-90 SEC RULES COMMITTEE NO. 24-90 STATE LIAISON COMMITTEE NO. 9-90 UNIT INVESTMENT TRUST COMMITTEE NO. 20-90 CALIFORNIA MEMBERS RE: CALIFORNIA MONEY MARKET LEGISLATION DROPPED

As we previously informed you, the Chairman of the California Senate Committee on Banking and Commerce introduced a bill, S.B. 2493, that would require all broker-dealers to provide prospective purchasers with a disclosure statement prior to the sale or offer of any securities not insured by an agency of the federal or state government. (See Memorandum to Board of Governors, No. 22-90, Money Market Members-One Per Complex No. 4-90, SEC Rules Committee No. 20-90, State Liaison Committee No. 7-90, Unit Investment Trust Committee No. 15-90, Broker/Dealer Advisory Committee No. 14-90, Broker/Dealer Associate Members No. 2-90, dated April 4, 1990.) The Institute testified at the March hearing of the Committee and submitted thereafter additional written comments in opposition to the bill. The Chair of the Committee subsequently amended S.B. 2493 to apply only to money market funds with check writing privileges. We are pleased to inform you that after the Institute's testimony in opposition to the amended bill on April 25, 1990, the Chair of the Committee determined that such disclosure was unnecessary and decided to drop the bill. Patricia Louie Assistant General Counsel