

MEMO# 3075

September 10, 1991

PENNSYLVANIA DETERMINES ACT NO. 113 DOES NOT APPLY TO CONTRACTUAL PLANS

September 10, 1991 TO: CONTRACTUAL PLANS COMMITTEE NO. 13-91 RE: PENNSYLVANIA DETERMINES ACT NO. 113 DOES NOT APPLY TO CONTRACTUAL PLANS

The Institute is pleased to inform you that the Pennsylvania Office of the Attorney General recently determined that Pennsylvania Act No. 113 does not apply to contractual plans. As you may recall, the Institute submitted comments to the Pennsylvania Securities Commission with respect to the applicability of the Act to contractual plans. The Pennsylvania Securities Commission had previously raised the issue of whether contractual plans were required to comply with certain provisions of the Act which requires certain corporations and persons that accept payments from individuals with a promise to repay that amount at a future date to comply with specific licensing provisions, including posting a bond in the amount of \$100,000. Failure to comply with the provisions of the Act subjects the corporation or person to criminal sanctions. (See Memorandum to Contractual Plans Committee No. 8-90, dated August 3, 1990.) A copy of the Office of the Attorney General's letter is attached. Patricia Louie Assistant General Counsel Attachment

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