

MEMO# 6523

January 5, 1995

NYSE MEMORANDUM ON MAILINGS TO SHAREHOLDERS

January 5, 1995 TO: CLOSED-END FUND COMMITTEE No. 1-95 RE: NYSE MEMORANDUM ON MAILINGS TO SHAREHOLDERS

As we previously informed you, the Institute recently submitted a letter to the New York Stock Exchange (NYSE) to alert it to the problem that some closed-end funds were experiencing in connection with the delivery to beneficial shareholders of semi-annual and annual reports that include information about the fund's dividend reinvestment plan. (See Memorandum to Closed-End Fund Committee No. 37-94, dated December 27, 1994.) Shortly thereafter, we learned that other NYSE listed companies had complained of this problem, and that the NYSE was already working to resolve it. To address this problem, the NYSE last week issued an Information Memo to its members, which states: [NYSE] Rule 465 ("Transmission of Interim Report and Other Material") requires that member organizations, when so requested by an issuer, transmit copies of interim reports and other material to beneficial owners upon satisfactory assurance of reimbursement of all out-of-pocket expenses. The Exchange has concluded that "other material" includes, but is not limited to, research reports and dividend reinvestment program material, which must be transmitted to beneficial owners upon issuer request. A copy of the NYSE Information Memo is attached. Amy B.R. Lancellotta Associate Counsel Attachment

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