

**MEMO# 2059**

July 25, 1990

# **CALIFORNIA PROPOSES RULE EXEMPTING RESALES OF UNITS OF UNIT TRUSTS**

July 25, 1990 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 32-90 RE: CALIFORNIA  
PROPOSES RULE EXEMPTING RESALES OF UNITS OF UNIT TRUSTS

As we previously informed you, the Institute requested that the California Corporations Commission consider adopting an exemption for resales of units of a unit trust. (See Memorandum to Unit Investment Trust Committee No. 13-90, dated April 3, 1990). We are pleased to inform you that the California Corporations Commission has proposed a rule to exempt resales of units in a unit trust by the sponsor, provided that (1) the initial offer and sale of the units was previously qualified in California, (2) the resales will be under circumstances substantially the same as that used in the initial public offering, (3) the units are redeemed and the offer and sale is in accordance with the Securities Act of 1933 and the Investment Company Act of 1940, and (4) the sponsor is a licensed broker-dealer in California. A copy of the proposed rule is attached. Comments are due no later than Friday, August 31, 1990 and should be addressed to Robert M. Arhelger, Senior Corporations Counsel, Office of Policy, Department of Corporations, 1107 Ninth Street, Room 800, Sacramento, California 95814. We will keep you informed of developments. Patricia Louie Assistant General Counsel Attachment

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