

MEMO# 4553

March 3, 1993

INSTITUTE TESTIFIES BEFORE MARYLAND HOUSE COMMITTEE ON SMALL ACCOUNT REDEMPTION LEGISLATION

March 3, 1993 TO: SEC RULES COMMITTEE NO. 18-93 STATE LIAISON COMMITTEE NO. 12-93
TRANSFER AGENT ADVISORY COMMITTEE NO. 17-93 RE: INSTITUTE TESTIFIES BEFORE
MARYLAND HOUSE COMMITTEE ON SMALL ACCOUNT REDEMPTION LEGISLATION

The Institute recently testified before the Maryland House Judiciary Committee to request the Committee's support for House Bill 392 which amends 2-310.1 of the Maryland Corporate Code. Section 2-310.1 permits the redemption of shares under certain conditions by open-end investment companies. (See Memorandum to SEC Rules Committee No. 13-93, State Liaison Committee No. 6-93 and Transfer Agent Advisory Committee No. 14-93, dated February 8, 1993.) The Institute testified that the legislation is necessary to remove all inconsistencies between the statutory procedures and those that are in fund charters or imposed by the Securities and Exchange Commission. The legislation would also clarify the Maryland Legislature's intention that the statutory redemption procedures apply only to mutual funds whose charters or bylaws are silent as to the ability of the mutual fund to redeem small accounts. A copy of the Institute's testimony is attached. We will keep you advised of developments.
Patricia Louie Associate Counsel Attachment

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