

MEMO# 1095

April 12, 1989

NEBRASKA SALES REPORT FORM

April 12, 1989 TO: STATE SECURITIES MEMBERS NO. 11-89 RE: NEBRASKA SALES REPORT FORM _____ As you may remember, effective August 1, 1988, Nebraska adopted a provision that allows indefinite registration of mutual fund shares. (See Memorandum to State Securities Members No. 12- 88, dated April 26, 1988; State Securities Members No. 24-88, dated August 1, 1988). The indefinite registration provision provides that a registrant may register an indefinite amount of securities if the registrant pays a registrtrion fee equal to the amount of its Nebraska registration fee for the preceding year. Within sixty days after the registrant's offering expires, each registrant would be required to file a sales report and pay a registration fee for the upcoming year equal to the amount of sales reflected on the sales report. If sales reflected on the sales report are less than the preceding year (the figure on which the fee was based), then a credit, up to ten thousand dollars, will be allowed. If sales reflected on the sales report are more than the preceding year (the figure on which the fee was based), then additional fees should be paid. Because of the unique structure of the indefinite registration provisions in Nebraska, the Form USR-1 is inappropriate for reporting sales of mutual funds. Therefore, the Institute and the State Liaison Committee have developed a sales report on which mutual funds that register an indefinite amount of securities in Nebraska can report sales. Attachment A is a blank copy of the form that can be used for reporting sales. Attachment B is three examples of how the sales report would be filled in to reflect different sales. - 2 - Each portfolio of a series fund must file a separate report in Nebraska. However, a series fund in which all the portfolios are registered in Nebraska under one registration number may submit one check when filing the sales report. Attachment C is an example of a sales report for a series fund where all portfolios are registered under one registration number and one check is filed. The indefinite registration provision is somewhat complicated, due to the fact that Nebraska does not have a fee cap and Nebraska's fiscal constraints. Accordingly, the sales report form is also somewhat complicated. A careful review of the examples attached to this memorandum should help to minimize any problems. Natalie Shirley Associate General Counsel Attachments