

MEMO# 1418

September 26, 1989

LEGEND REQUIREMENT IN NEW HAMPSHIRE [D

September 26, 1989 TO: STATE SECURITIES MEMBERS NO. 32-89 UNIT INVESTMENT TRUST MEMBERS NO. 48-89 RE: LEGEND REQUIREMENT IN NEW HAMPSHIRE

New Hampshire recently enacted legislation (House Bill 123), effective January 1, 1990, that requires the following legend to be included on the cover page of every prospectus of public offerings, including mutual funds and unit trusts, offered in New Hampshire: Neither the fact that a registration statement or an application for a license has been filed nor the fact that a security is effectively registered or a person is licensed constitutes a finding by the director that any document filed under this chapter is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the director has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer, or client any representation inconsistent with the provisions of this section. The Institute contacted the New Hampshire Office of Securities Regulation regarding this additional legend requirement. The staff of the Office of Securities Regulation has advised that they will not require mutual funds and unit trusts to place the legend set forth in House Bill 123 on their prospectuses provided that the uniform legend has been placed on a mutual fund or unit trust's prospectus. A copy of the Institute's letter is attached as Attachment A. We will keep you informed of further developments. Patricia Louie Assistant General Counsel Attachment

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