

MEMO# 5260

October 25, 1993

INSTITUTE DRAFT COMMENT LETTER ON MISSOURI PROPOSAL

October 25, 1993 TO: SEC RULES COMMITTEE NO. 94-93 STATE LIAISON COMMITTEE NO. 48-93 RE: INSTITUTE DRAFT COMMENT LETTER ON MISSOURI PROPOSAL

As we previously advised you, the Missouri Office of the Secretary of State issued a proposed rule for registration of securities of a mutual fund that would require, among other items, the filing of a Missouri supplement to the prospectus containing certain specified information. (See Memorandum to SEC Rules Committee No. 87-93 and State Liaison Committee No. 46-93, dated October 6, 1993.) Attached is a copy of the Institute's draft comment letter on the Missouri proposal. The draft letter generally opposes adoption of the proposed rule. In particular, the draft letter vehemently opposes the provision that would require mutual funds to prepare a separate and unique disclosure document for Missouri investors as a precondition for registering their securities for sale in Missouri. If adopted, the proposed rule would have severe consequences for mutual funds. Accordingly, the Institute is strongly encouraging members to submit individual comment letters opposing adoption of the proposed rule to the Commissioner of Securities. The comment period for the proposed rule official ends on November 1, 1993 (although it is our understanding that the Commissioner of Securities will accept comments through November 5, 1993). Please call me at 202/955-3517 with any comments you might have on the Institute's draft letter by Thursday, October 28th. Patricia Louie Associate Counsel Attachment

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