

MEMO# 980

February 13, 1989

SEC STAFF REQUESTS DISCUSSION CONCERNING CLOSED-END FUND ISSUER'S TENDER OFFERS

February 13, 1989 TO: CLOSED-END FUND MEMBERS NO. 10-89 RE: SEC STAFF REQUESTS
DISCUSSION CONCERNING CLOSED-END FUND ISSUER'S TENDER OFFERS

The Institute recently received the attached letter from the staff of the Securities and Exchange Commission (SEC) relating to concerns the staff has about compliance with Rule 13e-4 and Schedule 13E-4 of the Securities Exchange Act of 1934 for quarterly or periodic tender offers by closed-end investment companies. The SEC staff notes in its letter that certain funds that have or are in the process of conducting tender offers have experienced difficulties in complying with Rule 13e-4 and Schedule 13E-4 when making tender offers. Examples of the difficulties which closed-end fund's have had, according to the SEC staff letter, include funds that provided for quarterly tender offers but did not provide for withdrawal rights, that failed to comply with the all-holders requirement, and that were required to revise tender offer materials to specify the exact number of shares for which the closed-end fund could pay. We will keep you informed of developments. Robert L. Bunnell, Jr. Assistant General Counsel Attachment

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