

MEMO# 1058

March 22, 1989

PSE PERMITS SECOND TIER FEE SCHEDULE FOR CLOSED-END FUND FAMILIES

March 22, 1989 TO: CLOSED-END FUND COMMITTEE NO. 7-89 RE: PSE PERMITS SECOND TIER FEE SCHEDULE FOR CLOSED-END FUND FAMILIES

The Pacific Stock Exchange filed a proposed rule change with the Securities and Exchange Commission that would provide eligibility for families of closed-end funds for the second tier of the PSE's current listing fee schedule. The proposed rule change is effective immediately; however, the SEC may abrogate or alter the rule change under certain circumstances. Currently, under the first tier of the listing fee schedule, the original listing fee of common stock is \$7,500. Under the second tier, the original listing fee of secondary issues including preferred stocks, warrants, bonds, and rights is \$2,500. The rule change includes the second and all subsequent funds in a family of funds in the second tier fee schedule. The PSE states that reducing listing fees for additional funds in the same family once the first fund is fully listed is justified because of the cost savings for secondary issues, and because they offer recognizable economies of scale. The PSE predicts that the reduced rate will attract groups of new listings. Robert L. Bunnan, Jr. Assistant General Counsel Attachment

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