



**SUBJECT:** Effect of Act 109 of 1998 on Investment Companies Making Notice Filings with the Pennsylvania Securities Commission

**RELEASE NO.:** 98-CF-1

**DATE OF RELEASE:** December 8, 1998

**TYPE:** Statutory Change

**PRIOR REFERENCE:** 97-CF-1

### **Background**

On November 24, 1998, Governor Tom Ridge signed Senate Bill 1385 into law as Act 109 of 1998. Act 109 becomes effective **Monday, January 25, 1999**. It contains a number of provisions to conform the Pennsylvania Securities Act of 1972 (1972 Act) with the National Securities Markets Improvement Act of 1996 as they pertain to investment companies making notice filings with the Pennsylvania Securities Commission (PSC). The following interpretive advice is given in the context of the new provisions in Act 109. Persons are cautioned not to substitute a reading of this Release for careful examination of applicable sections of the 1972 Act, as amended by Act 109, and regulations promulgated thereunder.

### **INTERPRETIVE ADVICE**

**New Section for Investment Companies.** New Section 211(a) of the 1972 Act governs notice filings required to be made with the PSC by investment companies.

**Form NF.** The PSC will continue to accept Form NF from investment companies making notice filings with the PSC.

**Indefinite Sales of Securities.** For a filing fee of \$4,000, an investment company may now indicate on its Form NF filed with the PSC that it will be offering an INDEFINITE amount of securities in the Commonwealth. An investment company that files for an INDEFINITE amount will avoid the necessity to file amendments to Form NF to reflect subsequent increases in the offering amount or provide a sales report. AN INVESTMENT COMPANY THAT DOES NOT STATE "INDEFINITE" ON ITS FORM NF MUST SPECIFY A DEFINITE AMOUNT OF SECURITIES TO BE OFFERED IN PENNSYLVANIA.

**Amending a Current Form NF to Indicate an INDEFINITE Amount (AVAILABLE ONLY ON OR AFTER JANUARY 25, 1999).** If, prior to the time an investment company is required to file an annual notice with the PSC, it determines to file an amended Form NF to revise the amount of securities to be offered in Pennsylvania to INDEFINITE, it may do so by paying the difference between the amount of fees previously paid with respect to the notice filing being amended and \$4,000. Doing so, however, will not act to extend the effectiveness of the current notice period.

**Filing of Registration Statements, Prospectuses and Post-Effective Amendments. EXCEPT FOR NOTICES BEING FILED IN CONNECTION WITH REORGANIZATIONS,** the PSC, as of January 25, 1999, no longer will require filing of copies of registration statements, prospectuses or post-effective amendments filed with the SEC in connection with a notice filing by an investment company.

**Reorganization Filings.** When an investment company files Form NF with the PSC to provide notice of a reorganization, the filing should be accompanied by a copy of the relevant SEC registration statement and any post-effective amendments relating to the reorganization.

**Further Information.** For additional information on making notice filings with the PSC, please refer to **PSC Release 97-CF-1** (May 21, 1997), Blue Sky Law Reports (CCH) ¶48,685F.

**Fee Schedule.** The Fee Schedule has been amended to permit a notice filing for an INDEFINITE amount of securities and to ELIMINATE the reduction in the filing fee for investment companies that are restricted to holding exclusively debt securities of other persons having fixed final maturity dates occurring within 200 days from initial filing with the PSC. The revised Fee Schedule is set forth below:

<b><u>Amount to be Offered in PA</u></b>	<b><u>Filing Fee</u></b>
\$4,000,000 or less	1/20 of 1% of the maximum aggregate offering amount to be offered in PA with a minimum fee of \$350
More than \$4,000,000 but less than \$100,000,000	\$3,000
\$100,000,000 or more (a DEFINITE amount must be specified)	\$3,500
INDEFINITE (no DEFINITE amount need be specified)	\$4,000

**Questions concerning this Release may be directed to staff of the Division of Corporation Finance at (717) 787-5401. Alternative formats of this**

**document may be available on request. Call (717) 787-1165 or TTY Users:  
via AT&T Relay Center 1-800-654-5984.**