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ALABAMA SECURITIES COMMISSION POLICY STATEMENT CONCERNING NOTICE FILINGS FOR MUTUAL FUNDS

The National Securities Markets Improvement Act of 1996 ("NSMIA") preempts the state from imposing registration requirements or standards upon companies that are registered under the Investment Company Act of 1940 (the "Investment Company Act"), as well as those companies not registered under the Investment Company Act that have filed registration statements with the U.S. Securities & Exchange Commission (the "SEC"). NSMIA allows the states to continue to receive notice filings consisting of documents filed with the SEC (or a notice form in lieu thereof), filing fees and any sales information necessary to calculate such fees. These types of filings were previously covered by *Code of Alabama*, 1975, §§ 8-6-10(11) and 8-6-8(d), respectively. Numerous questions have been forwarded to the Registration Division of the Alabama Securities Commission (the "Commission") requesting information as to precisely what the Commission will require in terms of notice filings and fees. The Commission adopts a policy which incorporates the fee schedule contained in § 8-6-8 and utilizes as a processing fee the \$40.00 charge previously referred to as a registration fee.

1. An open-end management investment company, closed-end fund required to register, face amount certificate company, or a unit investment trust, as defined in the Investment Company Act, may file a notice of intention to sell on Form NF which has been executed by the issuer and is accompanied by a properly executed consent to service of process; and
2. A non-refundable processing fee of \$40.00, together with a non-refundable filing fee of \$300.00 for an open-end management investment company with total net assets of \$25 million or less; or a non-refundable filing fee of \$600.00 for an open-end management investment company with total net assets of more than \$25 million, but less than \$100 million; or a non-refundable filing fee of \$1,000.00 for an open-end management investment company with total net assets equal to or greater than \$100 million; or a non-refundable filing fee of \$200.00 for a unit investment trust.

Notice filings may be amended by submitting a revised Form NF to the Commission. Such amendment shall be effective upon receipt by the Commission. Each notice shall be effective for twelve (12) months

beginning the later of the date of receipt by the Commission or the date the offering became effective with the SEC. In the event any offer or sale of a security covered under this notice is to be made more than twelve (12) months after the filing date, another notice and payment of the applicable filing fee shall be required.¹ Such renewal filing must be filed within sixty (60) days prior to the expiration of the previous filing and shall be effective upon the expiration of the previous filing.

3. Except as provided below, open-end management investment companies which intend to file a notice for more than one portfolio or series must make a separate notice filing for each additional portfolio or series to be offered for sale in Alabama.
4. The same Form NF may be used for each portfolio or series notice filing provided the portfolios or series' listed on the Form NF share the same federal registration statement and will become effective with the SEC simultaneously. However, a separate notice filing fee must be paid for each portfolio or series filed.² A separate certificate will be issued for each portfolio or series.
5. In order to simplify the process of filing certain Blue Sky filing forms, the Commission recognizes that manual signatures and notarized verification statements may be duplicative or be a physical hardship in some cases. Once a manual signature is on file (initial filings), typed signatures may be used for all annual notice filings, amendments, renewals and sales reports. Blue Sky administrators, once given authority to sign on behalf of the funds (the "Signers"), may utilize this procedure as long as the forms are not compromised and regulatory compliance and integrity is maintained.

For purposes of this Policy Statement, closed-end funds that are required to make notice filings and face amount certificate companies shall make filings in the same format and pursuant to the same fee schedule as open-end management companies.

¹ Processing fee of \$40.00 is not collected on continuous renewals.

² Although assets are evaluated separately, a single check may be submitted for any cumulative fee amount due.