

Attorney General

Robert Abrams

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ABRAMS ANNOUNCES NEW THEATRICAL SYNDICATION REGULATIONS

Attorney General Robert Abrams announced today a series of amendments to the State regulations governing theatrical financing which he said would provide increased protection for investors and simplify the procedure for filing theatrical offerings with his office.

Mr. Abrams stated:

"The amendments my office has approved update the regulations so that they are consistent with recent changes in the law and with the practical realities of offering theatrical investments today.

"The new amendments close loopholes in the current law to provide additional protection for investors, while also adjusting filing requirements for producers with small offerings to reflect the effects of inflation."

Among the changes highlighted by Mr. Abrams were:

-- The new regulations exempt producers whose production will be capitalized for \$250,000 or less from certain more costly filing requirements. Previously, the exemption applied to productions of \$100,000 or less.

-- The new regulations require the prospectus to disclose not only the amount sought by the producer, but also the minimum amount required in order to proceed with the production. This latter amount may not be less than 75% of the total amount sought. This is to ensure that an investor who thinks he or she is investing in a million-dollar Broadway musical doesn't end up with a \$300,000 Off-Broadway revue, because of the producer's failure to raise sufficient capital.

-- The new regulations allow producers to obtain waivers of filing requirements if the offering is made to 36 or fewer investors. Previously, the ceiling was 26. Such waivers are only allowed when the

offerers have all expressly waived in writing their right to receive offering literature.

The amendments were promulgated in cooperation with the League of New York Producers and Theatre Owners and a committee of New York State theatrical attorneys.

Copies of the complete list of new regulations may be obtained by writing to the Bureau of Investor Protection and Securities, 2 World Trade Center, New York, New York 10047.