
**THE ALTMAN GROUP, INC.
CLOSED-END FUND SUMMARY OF
SIGNIFICANT CORPORATE ACTIONS FOR MAY 2005**

Director Qualifications Issue

The issue of whether fund bylaws placing certain qualifications on nominees to the board of directors of a registered closed-end fund violate Section 16(a) of the Investment Company Act of 1940 have come up again in the May 2005 filings of the New Germany Fund, we will attempt to provide background information on this topic leading to the Phillip Goldstein filing of a dissident proxy and his attempt to nominate directors which are not qualified to serve according to the New Germany Fund's bylaws.

Mr. Goldstein first addressed this matter with the SEC in February 2002 in which he asked the Division of Investment Management to provide guidance regarding whether a board of directors of a registered investment company may, unilaterally adopt amendments to the fund's by-laws that establish qualifications for nominees for election to the board for the purpose of preventing the election of any nominees other than the boards. Mr. Goldstein contends that some boards are purposefully adopting nominee qualifications that make it almost impossible for shareholders to make their own nominations, and that a shareholder's right to vote for election of directors is meaningless without the ability to influence the selection of nominees. Mr. Goldstein also contends that a director cannot be considered "elected to that office" within the meaning of Section 16(a) of the Investment Company Act of 1940 if the director is elected based on unilaterally adopted nominee qualifications that effectively eliminate any competition.

The Security and Exchange Commission responded to Mr. Goldstein on March 12, 2002, on that and other issues in his letter. "As a preliminary matter, we believe that the law of the state in which a fund is organized generally governs both the nomination process for fund directors and whether a board may unilaterally adopt nominee qualifications (or whether fund shareholders must approve such amendments).

Section 16(a) of the Company Act generally provides that "(no) person shall serve as a director of a registered investment company unless elected to that office by the holders of the outstanding voting securities of such company." On its face, Section 16(a) does not appear to prevent a board from imposing qualifications for nominees for election to the Board. Shareholders generally have the right, however, to reject nominations made by the Board. The right to vote, therefore, is not totally meaningless when shareholders can reject nominees but cannot influence nominations.

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If fund directors adopt nominee qualifications solely for the purpose of entrenching themselves or electing nominees that they support, they may breach their fiduciary duties. Section 36(a) of the Company Act authorizes the Commission to bring an action against any fund director for a breach of fiduciary duty involving personal misconduct. We believe that fund directors may, in certain circumstances, engage in personal misconduct within the meaning of Section 36(a) if they unilaterally adopt bylaw qualifications for nominees for election to the Board solely for the purpose of preventing the election of any nominee other than their own. Whether fund directors have adopted qualifications solely for the purpose of preventing shareholders from electing any nominees other than their own, however, is generally a question of fact.

Fund directors may determine, consistent with their fiduciary duties that certain qualifications for nominees are in the best interests of fund shareholders. For instance, it could be in the best interests of a fund that focuses its investments in particular markets to permit the nomination of only those individuals who have particular expertise with respect to such markets. We recognize that it can be difficult to distinguish between qualifications that serve legitimate business purposes and those that do not. We believe, however, that such determination is best made on a case by case basis. As a result, as a matter of policy, we decline your request to provide guidance at this time.

Please be aware, however, that we continue to review carefully the nominee qualifications that Boards have adopted, as they come to our attention. In this regard, we thank you for bringing to our attention specific instances in which Boards have unilaterally adopted nominee qualifications. If it becomes apparent to us that fund directors are not acting consistent with their fiduciary duties, or are not acting consistent with the disclosure requirements of the federal securities laws, we will consider taking appropriate actions, including considering whether we should provide guidance regarding Board adoption of nominee qualifications.”

The New Germany Fund filed a DEF 14A on May 3, 2005 announcing that its annual meeting of will be held on June 21, 2005. Stockholders will : (1) Elect four directors to serve for a term of three years (2) Ratify Pricewaterhouse Coopers LLP as independent auditors (3) Act upon, if properly presented a certain stockholder proposal that stockholders of the fund be afforded an opportunity to realize net asset value for their shares as soon as practicable.

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Opportunity Partners L.P., a dissident stockholder controlled by Phillip Goldstein, has announced its intention to solicit proxies against the nominees of your Board of Directors. Your Board strongly believes that the Board's nominees for re-election as Directors are far better qualified and meet the director qualification requirements in the Fund's Bylaws, which require experience in business, investment, economic or political matters of Germany. In addition, the Board's nominees will better serve the interests of all stockholders. In contrast, Mr. Goldstein has **conceded in a public statement that Opportunity Partners' intended nominees are not qualified to serve as directors in accordance with the Fund's Bylaws. Accordingly, they may not be nominated or elected to serve as directors of the fund.**

Phillip Goldstein filed on May 10, 2005 a PREC 14A, in opposition to the solicitation by the Board of Directors. Goldstein intends to nominate the following persons for election as directors; Hellerman, Goldstein, Dakos and Das. Goldstein also proposes (3)A recommendation that stockholders of the Fund be afforded an opportunity to realize NAV for their shares as soon as practicable.

Mr. Goldstein also states in his filing that Rule 14a-4(e) of the Securities Exchange Act of 1934 requires that subject to reasonable specified conditions, all shares represented by proxy must be voted. **"The Board of Directors has adopted a bylaw that purports to require nominees to meet onerous qualifications which my nominees do not meet. Because I believe these qualifications constitute an improper constraint by the Board on the right of stockholders to elect directors, I have requested that the Board waive them and agree to comply with rule 14a-4(e) by allowing all proxies to be voted as instructed and counted. Thus far, the board has failed to do so and has failed to disclose how it will treat my proxies. If prior to the meeting, the Board does not irrevocably agree to allow all proxies to be voted as instructed and counted, the proxy holders may not attend the meeting and I intend to file a lawsuit to require all proxies to be voted as instructed and counted. If the proxy holders do not attend the meeting your shares will not be counted toward a quorum or voted unless and until a court makes a determination as to how the fund must treat them. If you do not believe the foregoing condition is reasonably specified or you unconditionally want your shares to be represented at the meeting even if the Board does not agree to allow them to be voted as you instruct and counted, you should not give me your proxy."***

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Phillip Goldstein filed on May 18, 2005 a 13D/A, stating that he owns 2,183,096 shares or 8.73% of the outstanding. Mr. Goldstein also filed Exhibit A- It is a letter to the Board of Directors, stating that **“we do not believe the nominee qualification bylaw established by the Board is enforceable. Therefore, we intend to include the following statement in our proxy material for the annual meeting see (PREC 14A Rule 14a-4(e))”***

The Securities and Exchange Commission responded on May 20 ,2005 to Mr. Goldstein regarding **Contested Proxy Solicitation Concerning The New Germany Fund, Inc.**

(Summary) “The staff reviewed your preliminary proxy solicitation materials for its annual meeting of stockholders to be held on June 21, 2005.

Your preliminary proxy statement presents four nominees for election to the Fund’s board of directors. **These directors do not meet the qualifications established in the Fund’s by-laws about five years ago. The bylaws require the directors to have extensive senior-level experience in businesses headquartered in Germany, or investing in German securities, or receiving revenues from Germany or to have exercised management responsibilities or provided professional services in European operations. The bylaws also would allow former officials in government, central banks, supranational or international organizations to become directors as well as current directors or senior officers of the investment managers or its affiliates.**

Your proxy is conditional on the board, prior to the meeting, irrevocably agreeing to allow all proxies to be voted as instructed and counted. If this condition is not met, the proxy holders may not attend the meeting and you may file a lawsuit to require all proxies to be voted as instructed and to be counted. Your proxy also states that “if the proxy holders do not attend the Meeting your shares will not be counted toward a quorum or voted unless and until a court so orders”. **Rule 14a-4(e) under the Securities Exchange Act of 1934 requires that a person soliciting proxies vote the proxies “subject to reasonable specified conditions”. “The Commission has taken the position that solicitation of proxies constitutes an implied representation by the persons making the solicitation that the shares represented by the proxy will be voted “. Please provide us your analysis regarding why you believe the condition is reasonable within the meaning of that term in Rule 14a-4(e) and why the statement that the proxy holders may not attend the meeting which appears to allow discretion regardless of the fulfillment of the condition---is consistent with the Commission’s position. Also in your analysis, please take into account that the Fund ,in a letter to you dated May 18, 2005, has reiterated its position that your nominees are not valid and cannot be properly elected as directors of the Fund.**

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In addition, the proxy card states that the “undersigned expressly (1) understands the condition as set forth in the proxy statement....and (2) agrees that this condition is reasonably specified.” Please delete this language. Rule 14a-4(a) under the 1934 Act requires that a proposal on the proxy card be clearly and impartially stated.”

Opportunity Partners filed on May 25, 2005 a DFAN 14A in response to the Securities and Exchange Commission letter dated May 20, 2005. (Summary). “ As I told you ,my preference would be to simply attend the annual meeting and vote my proxies as instructed. Unfortunately, the board has not agreed to allow that. In fact ,it has not disclosed what it will do with my proxies should I attempt to vote them, which is a very serious material omission that I have urged you to address. If the board assures me that it will allow me to vote my proxies as instructed, I will do so.

You ask me why I believe it is a “reasonable” condition as that term is used in rule 14a-4(e) to say that I will vote my proxies only if the Fund assures me that I will be permitted to vote them. I am not sure how to answer that. It is the board that is refusing to allow my proxies to be voted as instructed. I am the victim of the board’s attempt to steal the election. Why are you asking the victim why he is defending himself?

The reason I said I may not attend the meeting is that I did not want to preclude reaching a settlement with the board, e.g.’ if the board agrees to have an independent inspector of elections hold all the proxies but not certify the results until a court determines whether they should be counted, I would submit them at the meeting. Do you want me to deliver the proxies even if the board uses them to obtain a quorum but does not allow them to be voted? If the staff has any suggestions to insure that my proxies will be voted as instructed, instead of used just to obtain a quorum, I would certainly consider them.

The issue is whether the Fund’s board of directors can enforce a bylaw that effectively precludes shareholders from electing the directors of their choice. I believe the bylaw in question violates section 16(a) and 36(a) of the investment Company Act of 1940. It was adopted by the Fund’s board of directors without shareholder approval and purports to establish onerous qualifications for any nominee for director who is not an incumbent director or an officer of the Fund’s investment adviser.

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The effect of this bylaw is to preclude virtually every public shareholder, or virtually anyone in the United States, for that matter, except the incumbent directors themselves from being elected a director. Section 1(b) of the Act requires that every provision of the Act be interpreted so as to prevent investment companies from being operated in the interest of incumbent directors rather than shareholders. Using that interpretive guideline, it is impossible to reconcile section 16(a) with the Fund's qualifications bylaw.

It is indisputable that the qualifications bylaw benefits the directors at the expense of shareholders by denying the latter the opportunity to nominate and elect directors of their choice.

We believe that sections 16(a) and 36(a) require that shareholders of the Fund have at least the degree of protection of their voting rights as afforded them under state law.

In the staff's letter, it assured me that "we continue to review carefully the nominee qualifications that Boards have adopted, as they come to our attention (and) if it becomes apparent to us that fund directors are not acting consistent with their fiduciary duties, or are not acting consistent with the disclosure requirements of the federal securities laws, we will consider taking appropriate actions." Unless that was just boilerplate rhetoric, this is great time to put a stop to these abuses of shareholder rights and save shareholders of the Fund and other closed-end funds the costs of private litigation.

As you requested, I will remove the sentence from my proxy card that "the undersigned expressly (1) understands this condition as set forth in the proxy statement... and (2) agrees that this condition is reasonably specified" because it is not really necessary, not because it violates rule 14a-4(a). "*"

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Opportunity Partners LP filed on May 31, 2005 a DEFC 14A
Dear Fellow Shareholder of The New Germany Fund (Summary)

“We appreciate that people can have honest differences about matters like these. We think such differences should be resolved democratically. Unfortunately, the board seems to be unwilling to allow that. If shareholders do not respond favorably to the board’s pleas, it has said it will refuse to count any votes for our nominees because they allegedly do not meet the qualifications the board itself adopted. We believe the board’s “qualifications” violate the right of shareholders to nominate an opposing slate. Furthermore, they are hypocritical because the Fund’s own proxy voting guidelines state that the Fund votes against proposals of portfolio companies that restrict shareholders rights.

The board has said that we have “conceded (our nominees) are not qualified to serve as directors under the Fund’s Bylaws. That is not really an accurate statement. What we said was that our nominees did not meet “the illegal preclusive and inequitable qualifications set forth in Section 3 of Article II of the Fund’s bylaws” and that any attempt to enforce it would be a breach of fiduciary duty.”

Proxy Statement of Phillip Goldstein, a stockholder of The New Germany Fund, Inc. In Opposition To The Solicitation By The Board Of Directors.

Annual Meeting of Stockholders (To be held on June 21, 2005)

Proposal (1) Election of Directors,- Hellerman, Goldstein, Dakos and Das
Neither Hellerman nor Dakos own any shares of the Fund, Mr. & Mrs. Goldstein own 30,444 shares and Mr.. Goldstein own 685,363 shares. Mr. Goldstein also has voting authority for an additional 1,417,278 shares.

Proposal (3) A recommendation that stockholders of the Fund be afforded an opportunity to realize NAV for their shares as soon as practicable..

The above information provided us based on information contained in filings with the Securities and Exchange and correspondence between Phillip Goldstein and The Securities and Exchange Commission. Some information presented by The Altman Group is in summary form and does not represent complete statements. The Altman Group shall not be held responsible for the accuracy or completeness of such information.*

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