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COMMISSIONER



JAMES MATTHEWS
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

SECURITIES DIVISION
(602) 542-4242
(602) 255-2600
FAX: (602) 255-2617

October 16, 1991

Mr. Alan L. Sarroff
111 Broadway, Ste. 825
New York, New York 10006

RE: A. L. Sarroff No Action Request
A.R.S. § 44-1844(8)

Dear Mr. Sarroff:

On the basis of the facts set forth in your letter of September 20, 1991, and in reliance upon your opinion as representative of the firm, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

Please note, however, that pension plans and profit sharing funds with few participants and/or limited assets do not qualify as "institutional investors." For example, a plan established by a physician for himself and a few employees would not typically qualify. "Inadvertent" investment companies would likewise not qualify under the Arizona Securities Act definition of institutional investors.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

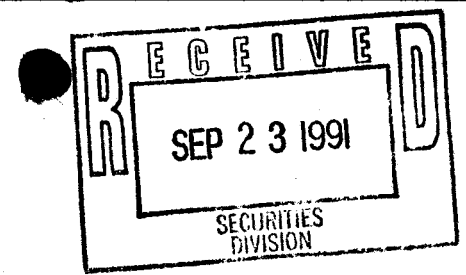
Very truly yours,

DEE RIDDELL HARRIS
Director of Securities

DRH:MGB:wjw

Attachment

A. L. SARROFF
111 Broadway
Suite 825
New York, New York 10006
Members New York Stock Exchange



Office 212 233-2525

Trading Floor 212 363-1836
Fax 514-6910

September 20, 1991

**Mr. D. Riddell Harris, Director
Securities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007**

RE: REQUEST FOR EXEMPTION FROM BROKER/DEALER REGISTRATION

Dear Mr. Harris:

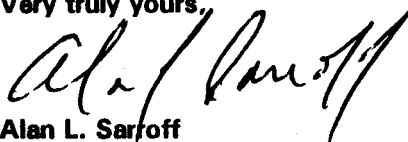
We are writing this letter to request exemption from Broker/Dealer registration in the state of Arizona in accordance with the Arizona Revised Statutes Section 44-1844, Subsection 8. Said Statute provides for exemption from registration in your state for a broker dealer who accepts orders from institutional customers only and who does not maintain a branch office in the state.

Our firm is a duly registered Broker/Dealer with the Securities and Exchange Commission. In addition, we are members of the New York Stock Exchange (NYSE) dealing in NYSE listed securities only. Our registered representatives are all duly qualified under Series 7 and Series 63 examinations. We intend to accept orders from institutional clients only, which we understand to include banks, insurance companies, pension and profit sharing funds, savings institutions and investment companies as defined in the Investment Act of 1940, as well as small business investment companies as defined in the Small Business Investment Act of 1958. We will introduce these accounts on a fully disclosed basis for clearance. In addition, we will maintain no branch office in Arizona being that our only office is located here in New York.

In order to remain in compliance with your state's requirements and to preclude any future misunderstandings, we would like you to confirm our exemption in writing via a "no action" letter from you. We also understand that, should our present business change at some future date, we may be required to seek full registration from you. Please find enclosed a check in the amount of \$100 to cover the costs associated with the "no action" letter.

Thank you for your assistance, we look forward to hearing from you.

Very truly yours,


Alan L. Sarroff