

*Statute file*

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DIRECTOR

SECURITIES DIVISION  
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FAX: (602) 594-7470  
E-MAIL: accsec@ccsd.cc.state.az.us

April 8, 1998

Ms. Elizabeth A. Nystedt  
Clear Sky, a division of  
Automated Business Development Corporation  
529 Main Street  
Schrafft Center Annex  
Boston, MA 02129

RE: S-0057724-NOAC  
A.R.S. §§ 44-3321, 44-3322, and 44-3323

Dear Ms. Nystedt:

On the basis of the facts set forth in Elissa Kaye Grebber's letter of February 10, 1998, and in reliance upon Ms. Grebber's opinion as counsel, 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 Ms. Grebber's letter. Specifically, the Division will accept documentation filed by Clear Sky pursuant to A.R.S. §§ 44-3321, 44-3322, and 44-3323 that contains a typed or facsimile signature. The Division's position is dependant upon Clear Sky's compliance with the following authentication procedures: each signatory to a filing upon which the signature is typewritten or affixed by facsimile shall manually sign a signature page or other document authenticating, acknowledging, or otherwise adopting his or her signature that appears within the filing ("Authenticating Document"). The Authenticating Document shall be executed before or at the time the filing is made and shall be retained by the filer for a period of six years after the expiration or termination of the registration of the securities in Arizona. Upon request, the filer shall furnish to the Commission or its staff a copy of any or all Authenticating Documents.

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 mode of affixing signatures to documentation filed pursuant to A.R.S. §§ 44-3321, 44-3322, and 44-3323; other provisions of the Act continue to be applicable.

Ms. Elizabeth Nystedt  
April 8, 1998  
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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,

A handwritten signature in cursive script that reads "Michael G. Burton, Sr.".

MICHAEL G. BURTON, SR.  
Director of Securities

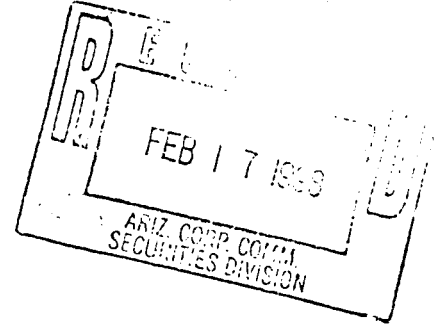
MGB:cf  
Attachment



529 Main Street • Schrafft Center Annex • Boston, MA 02129  
Phone (617) 263-7100 • Fax (617) 263-7107

February 10, 1998

Victor Rodarte  
Chief Deputy Director of Securities  
Corporation Commission  
1300 West Washington, Third Floor  
Phoenix, Arizona 85007



Dear Mr. Rodarte:

As you may recall, last year Clear Sky, a division of Automated Business Development Corporation ("Clear Sky") requested certain interpretive or "no action" positions from your office with respect to the filing of certain Blue Sky forms for mutual funds and face amount certificate companies. We had requested a determination that certain Blue Sky filing forms be exempt from the notice filing requirements of your State which require that all forms be manually signed and notarized.

In light of your affirmative response to our previous request, for which we are currently complying, at this time we would like to broaden our request to include typed signatures for all Blue Sky notice filings (including initial filings).

Clear Sky represents that there is no legal action, judicial or administrative, which relates, directly or indirectly, to the facts set forth herein.

We respectfully request, on behalf of the funds which Clear Sky serves as Blue Sky Administrator, that you waive any requirements for mutual funds, unit investment trusts and face amount certificate companies that require a manual signature and a notarized verification statement. Enclosed please find a check for \$200 to review such request.

#### Background of Clear Sky

Automated Business Development Corporation ("ABD") commenced operations in 1985 to provide state regulatory compliance computer software, support and training for the securities industry. Since its conception ABD has developed an unmatched expertise in applying modern computer and telecommunications technology to security regulatory compliance. ABD is the leading supplier of state regulatory compliance computer software, support and training to the mutual fund industry.

In 1994, ABD expanded its services to include an out-sourcing alternative. Clear Sky, to assist in the state regulatory compliance and maintenance requirements. Clear Sky's primary business focus is the out-sourcing of Blue Sky department's compliance responsibilities (for mutual funds and face amount certificate companies) within the investment industry. Clear Sky is currently the largest Blue Sky provider in the industry. As of January 1, 1998, Clear Sky has provided Blue Sky compliance services to approximately 3,900 funds (this includes portfolios and classes comprising approximately 55,000

permits). All aspects of Blue Sky compliance are managed by an expert staff with more than twenty years of experience within the compliance industry. By utilizing Automated Business Development's Blue2™ Software System, segregation of duties and implementation of strict controls and procedures, the risk of non-compliance is reduced to its lowest levels.

Clear Sky has a continuous commitment to establish, maintain, and enhance an effective system of internal controls. In keeping with this commitment, Clear Sky has engaged in a third party to perform an independent review of its internal control structure.

#### Discussion

As the mutual fund industry grows and technology increases it has been necessary for the regulatory compliance industry to develop ways to handle the large volume of mutual fund filings. Without compromising the integrity of the data, technology has developed electronic methods for filing with the Securities and Exchange Commission via EDGAR filings. At this time, all companies that file registration statements, prospectuses, proxy statements, and periodic reports with the SEC are no longer permitted to file these documents on paper, under a regulation that went into effect on May 6, 1996. In addition, the SEC recently adopted a new electronic filing rule (Rule 14 of Regulation S-T, Rel. No. 33-7472) which states that the SEC will not accept filings made in paper that should have been filed electronically.

In light of the electronic filing requirements by the SEC for mutual funds, Clear Sky is of the opinion that each state will require electronic filings in the near future. In anticipation of electronic filings to the states, Clear Sky is preparing all filings and fees so that they will be ready for electronic filing once we receive the authority to electronically file. It is in preparation for electronic filing that Clear Sky requests that typed signatures be authorized for all notice filings, amendments, and sales reports.

As an industry leader, Clear Sky plans to be one of the forerunners of electronic filing for Blue Sky notice filings. Clear Sky's ability to switch to electronic filing as soon as the state has the ability to accept electronic filings will significantly benefit all those involved. As you are aware, the advantages to electronic filing will be numerous and it is Clear Sky's intent to have our Blue Sky forms and systems ready to go once we receive the go ahead from the State. We believe that electronic filings for the states will closely parallel the SEC's EDGAR filings. It is based on this we request the use of typed signatures on our Blue Sky forms. Our request to use typed signatures is no different than what the SEC currently accepts for all EDGAR filings.

We propose three options in place of the manual signature: (1) a computerized signature, (2) a typed signature or (3) a blank space. For your review, we have attached a sample of each type of signature.

Currently, Clear Sky serves as Blue Sky Administrator for approximately 400 mutual fund companies. For each fund that Clear Sky serves as Blue Sky Administrator, either Elizabeth A. Nystedt, Director, or Elissa Kaye Grebber, Counsel, have been given authority to sign on behalf of the funds (the "Signers"). We have discussed the use of typed signatures with our clients and each of them has given us the authority to use a typed signature in place of a manual signature when a signature is required.

Clear Sky can assure you that eliminating manual signatures will in no way compromise the forms. In order to maintain Clear Sky's strict level of controls and procedures, each document is thoroughly reviewed by numerous individuals prior to being signed by the Signers. Clear Sky proposes to continue these controls, but only requests that the forms have typed signatures instead of manual signatures. In conclusion, we request that typed signatures be used for all notice filings, amendments, and sales reports.

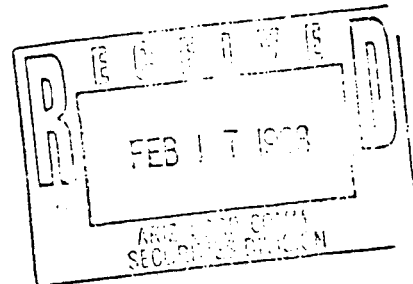
Accordingly, we hereby respectfully request your concurrence with the conclusions expressed above, by means of an interpretive letter, or the assurance of your office that no enforcement action will be recommended if Clear Sky files all its Blue Sky forms with a typed signature.

If any staff member of your office requires further information, please feel free to contact the undersigned or Elizabeth A. Nystedt at 1-800-590-0026. We would appreciate being informed at your earliest convenience, by letter or telephone call to the undersigned of the identity of the individual assigned to consider this matter.

Very truly yours,

Clear Sky, a division of Automated  
Business Development Corporation

By Elissa Kaye Grebber  
Elissa Kaye Grebber  
Counsel



Sample Signature Options

1. Computerized Signature

Elizabeth Nystedt  
Elizabeth Nystedt

2. Typed Signature

/s/ Elizabeth Nystedt  
Elizabeth Nystedt

3. The signature block would not be present if no signature was required

