

DIRK KEMPTHORNE
GOVERNOR



GAVIN M. GEE
DIRECTOR

March 13, 2001

STATE OF IDAHO
DEPARTMENT OF FINANCE
700 W. STATE STREET, 2ND FLOOR
P. O. BOX 83720
BOISE ID 83720-0031
www.state.id.us/finance/dof.htm

Re:

Dear M:

This is in response to your letter requesting that the Department issue a no-action to enforce the provisions of Sections 30-1416 through 30-1433A of the Idaho Securities Act (Act) with respect to options granted and securities issued pursuant to the exercise of such options under the Share Option Scheme (the Plan.) In addition, you have requested we confirm the availability of the exemption from registration provided by Section 30-1434(1)(k) of the Act. Finally, you have requested that the full 30-day notice filing period required by Section 30-1434(1)(k) be waived.

It is our understanding that _____ (the Company) has adopted the Plan for the benefit of eligible employees including the employees of the wholly owned subsidiary

Based on your representations, as summarized above, you have asked that the Department concur with your view that the Company may issue its stock and options in reliance upon the exemptive provisions of Section 30-1434(1)(k) of the Act. Section 30-1434(1)(k) exempts:

“Any investment contract issued in connection with an employee’s stock purchase, savings, pension, profit-sharing or similar benefit plan.”

We wish to reaffirm that this exemption **does not** apply to non-employees such as consultants of the Company. In our opinion, any distribution of shares or options to the Idaho employees of a parent corporation, or a subsidiary corporation that is not wholly owned by the Company, would be a violation of Section 30-1434(1)(k).

The Department declines to issue a no-action involving the grant of options and securities prior to the Company’s pending claim of exemption filing.

The Department hereby acknowledges the Company’s claim of exemption. Please be advised that the full 30-day notice filing period pursuant to Section 30-1434(1)(k) is hereby waived. If you have questions regarding this matter, please contact the undersigned.

Sincerely,

Ax (file copy)

Nancy C. Ax
Securities Examiner

Banks & Savings Banks (208) 332-8005
Credit Unions (208) 332-8003
Securities (208) 332-8004
Money Transmitters (208) 332-8004

PHONE: (208) 332-8000
FAX: (208) 332-8098
Director's Fax: (208) 332-8097
Securities Fax: (208) 332-8099

Supporting Services (208) 332-8001
Mortgage Companies (208) 332-8002
Finance Companies (208) 332-8002
Collection Agencies (208) 332-8002

EQUAL OPPORTUNITY EMPLOYER

February 2, 2001

Idaho Department of Finance, Securities Bureau
700 West State Street, 2nd Floor
Boise, Idaho 83720

RECEIVED

FEB 05 2001

Re: No Action Request and Notice of Exemption Pursuant to Section 30-1434(1)(k) as interpreted by Section 21,540 of the Blue Sky Regulations; Expedited Treatment Requested.

Dear Ladies and Gentlemen:

On behalf of our client, _____ (“_____”) and its United States subsidiary, _____, enclosed please find the following documents:

- A copy of the _____ Unapproved Executive Share Option Scheme (the “Plan”); and
- A filing fee in the amount of \$50.00

We have not included an opinion of counsel or the “Claim of Exemption Under Section 30-1434(1)(k) Idaho Securities Act” form pursuant to instructions we received in a telephone conversation with Nancy Axe, a representative of the Idaho Securities Division, on January 19, 2001.

_____ is relying upon the exemption provided by Section 30-1434(1)(k) of the Idaho Securities Act as interpreted by Section 21,540 of the Idaho Blue Sky Regulations to grant stock options and issue shares upon the exercise of such options pursuant to the Plan to its Idaho employees. In addition, _____ is relying on Rule 701 promulgated by the U.S. Securities and Exchange Commission under the Securities Act of 1933 for such option grants and exercises. We hereby respectfully request that the Idaho Department of Finance, Securities Bureau take no action to enforce the provisions of Sections 30-1416 through 30-1433A of the Idaho Securities Act with respect to options granted and securities issued pursuant to the exercises of such options under the Plan. Pursuant to Section 30-1454 of the Idaho Securities Act, we further request that the Securities Bureau waive the 30-day notice period required by Section 21,540 of the Idaho Blue Sky Regulations and expedite this request at your earliest convenience.

If you have any questions, feel free to call me at .

Sincerely,

cc: