

DIRK KEMPTHORNE
GOVERNOR



GAVIN M. GEE
DIRECTOR

STATE OF IDAHO
DEPARTMENT OF FINANCE
700 W. STATE STREET, 2ND FLOOR
P. O. BOX 83720
BOISE ID 83720-0031
<http://www2.state.id.us/finance/dof.htm>

February 8, 2000

Re: Licensing Provisions of the Idaho Securities Act

Dear M

This is in response to your letter requesting that the Department clarify whether the investment activities of the corporation's acquisitions manager would require licensing as a registered investment advisor under the Idaho Securities Act (the "Act").

According to your letter and the supplemental information provided, the corporation you represent is in the process of selling a number of retail businesses which it owns and operates. The company intends to reinvest the proceeds of these sales in other businesses, raw land and possibly stocks traded on national exchanges. Recently, the corporation hired a part-time acquisitions manager to aid in the purchase of assets and is considering having him manage the corporation's assets. The acquisitions manager has an extensive business background, but is not licensed as either a broker/dealer or an investment adviser.

In addition, the acquisitions manager is the president and CEO of a corporation which does business consulting and is a part time employee of a drilling company. His employment duties in these businesses do not include rendering advice regarding the purchase and sale of securities.

Based on your representations, it does not appear that the proposed activities of the acquisitions manager as they relate to the reinvestment of corporate assets would require licensure under the Idaho Securities Act. Please be advised that this opinion is based solely on your representation of the facts and different facts may require a different conclusion. If you have any questions or comments regarding any of the matters discussed above, please do not hesitate to contact the undersigned.

Sincerely,

Ax (file copy)
Nancy C. Ax
Securities Examiner

Banks and S&L's (208) 332-8005
Credit Unions (208) 332-8003
Money Transmitters (208) 332-8003
Supporting Services (208) 332-8001

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

Securities (208) 332-8004
Mortgage Companies (208) 332-8004
Finance Companies (208) 332-8002
Collection Agencies (208) 332-8002

EQUAL OPPORTUNITY EMPLOYER

February 4, 2000

RECEIVED

FEB 07 2000

DEPARTMENT OF FINANCE

State of Idaho
Department of Finance
PO Box 83720
Boise, ID 83720-0031

ATTN: NANCY AX

RE: SUPPLEMENTAL INFORMATION/REQUEST FOR OPINION

Dear Ms. Ax:

On February 4 you requested additional information concerning the activities of the person who has been hired as an acquisition manager for my client. Following our conversation, I called the person in question and he provided the following information, which I in turn supply to you in supplement of my letter of January 21, 2000.

He is the president and CEO of a corporation which does business consulting with regard to accounting, marketing, cost of goods sold, real estate development, personnel training, financing, the purchase and sale of businesses, and start ups of new business ventures. He is also a part time employee of a drilling company which contracts out with various mining ventures. He does not give advice either in his role as a part time employee for the drilling company or in connection with his role as CEO of the corporation as to the purchase or sale of securities. He does buy and sell stocks traded on national exchanges for himself and his wife, but he does no buying or selling of stocks for others (including clients of his corporation or the drilling company).

If you have any questions concerning the foregoing, please feel free to give me a call. I look forward to receiving the opinion at your earliest convenience.



RECEIVED

January 21, 2000 JAN 24 2000

DEPARTMENT OF FINANCE

State of Idaho
Department of Finance
PO Box 83720
Boise, ID 83720-0031

ATTN: NANCY AX

RE: REQUEST FOR OPINION

Dear Ms. Ax:

I request a written opinion from the Department of Finance with regard to whether or not there are security act ramifications concerning the below scenario. I enclose the \$50.00 fee for the opinion.

I represent a corporation which has owned and operated a number of retail businesses in this area. It is in the process of selling a number of those businesses which has and will generate significant cash. It will be purchasing other businesses and raw land. In addition, it is considering investing from time to time in stocks traded on national exchanges. Approximately six months ago the corporation hired an acquisitions manager solely for the purposes of aiding it in its purchase of assets. He works on a part time basis and is paid a fixed salary which is not dependent upon the profits or losses of the corporation. Though he has an extensive business background, he is not licensed as either a broker/dealer or an investment adviser.

If the Department could please send me its written opinion as to whether the above causes any violation of the Idaho Securities Act, I will appreciate it.

Sincerely,

SMA/pl