



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

July 2, 2004

Re: Request for "no-action"—

Dear M

We received your letter of June 14, 2004 regarding a request that our Department take a "no enforcement action" position with regard to your registration as an investment adviser.

Your letter indicates that, in the future, the business activities of _____ will consist only of business consultation and assistance to your father and accounts established and maintained by your father. The consultation and assistance provided to your father will concern his various investment and business holdings, including trust accounts he has established for your siblings.

You have also indicated that you will terminate your paid investment advisory relationship with all clients other than your father. The termination of these accounts will be evidenced to this Department by providing copies of all letters sent to clients indicating that you will no longer provide them investment advisory services for compensation. We request that the termination letters are sent, and copies provided to us, on or before August 10, 2004.

Based on your letter, this Department agrees to take a "no enforcement action" position with regard to your activities as outlined above. As such, you may continue in these activities without maintaining your registration as an investment adviser in Idaho. Should the facts in this matter change, this Department's "no-action" position may change as well.

We appreciate the professional relationship the Department has had with _____ over the years. We wish you well in future endeavors.

Sincerely,


PATRICIA R. HIGHLEY
Senior Securities Analyst
Idaho Department of Finance

Banks and Savings Banks	(208) 332-8005	PHONE:	(208) 332-8000	Supporting Services	(208) 332-8001
Credit Unions	(208) 332-8003	Fax:	(208) 332-8098	Mortgage Companies	(208) 332-8002
Securities	(208) 332-8004	Director's Fax:	(208) 332-8097	Finance Companies	(208) 332-8002
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JUN 15 2004
DEPARTMENT OF FINANCE

June 14, 2004

Ms. Patricia R. Highley
Senior Securities Analyst
State of Idaho
Department of Finance
700 West State Street, 2nd Floor
P.O. Box 83720
Boise, ID 83720-0031

RE:

Dear Ms. Highley:

Thank you for your letter dated April 23 and for taking my recent phone call concerning the no-action letter I am seeking with regard to private advisory work in the State of Idaho. In follow-up to the State's initial reply to my letter dated March 16, 2004 I have undertaken changes in my business. All of my compensated efforts put forth are for the benefit of my father's portfolio holdings and will continue as such in the future. Kindly review the following:

I. PRIVATE SERVICES PROVIDED TO MY FATHER

In 1998, my father sold a successful outdoor advertising business and as a result of his hard work, has accumulated a large net worth. I consult and assist him with his portfolio holdings, currently valued over \$400 million dollars. All of my efforts put forth have been for the benefit of my father's portfolio holdings and businesses. My father compensates me for the assistance provided for his benefit and looks to me for guidance and loyalty. Additionally, I provide oversight to my siblings trusts, established by the father. Lastly, I hold a board seat on one of my father's development companies. Should my father pass away, I am currently elected as the executor for his estate.

II. TERMINATION OF SERVICES TO OTHER PERSONS

As previously explained, _____ does not hold itself out as providing investment advisory services to the public. I had the option, previously, of invoicing friends who are clients, for consultation services, as needed and payment was voluntary. However, I had not made it a practice to receive compensation from anyone other than my father.

I plan to no longer make myself available for investment advisory services for a fee to anyone other than my father. If the State provides a no-action letter that will provide me the opportunity to withdraw my investment adviser registration due to the private nature of services provided to my father, I will promptly send letters to all other persons to notify them of my withdrawal as an adviser and as a result can no longer offer services that are investment advisory in nature for compensation. The letter will be drafted with the assistance of my compliance consultant,

_____. With the State's granting of my waiver request, I would also be pleased to copy your office on the letter sent to previous clients.

III. STATE vs. SEC EXEMPTION

As noted in my previous no-action request, I understand that where assets consulted on exceed \$25 million, an Adviser cannot rely on any State exemption granted and must seek a separate SEC no-action letter or comply with SEC registration requirements.

Under the conditions set forth in this letter, I believe conditions exist for an SEC exemption from adviser registration under the Advisers Act of 1940, Section 203(b)(3) which exempts from registration, "*Any investment adviser who, during the course of the preceding twelve months has had fewer than fifteen clients and who neither holds himself generally to the public as an investment adviser nor acts as an investment adviser to any investment company...*".

IV. SUMMARY

Please be assured that I take the issue of regulatory compliance seriously and this is the reason for the no-action letter request. I have eliminated the ability to be compensated for investment advisory services to anyone other than my father. Thus, in light of service limitations, I am hopeful the situation merits a waiver of the Idaho Securities Act's registration requirements.

Ms. Highley, if you should have any questions or concerns relating to this response or to the enclosures, please do not hesitate to contact me directly or my regulatory compliance consultant, _____ at _____ . Thank you for your time and consideration.

Very truly yours.