



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

September 22, 2003

Re: Exemption Inquiry

Dear M

This is in response to your inquiry regarding the availability of a broker-dealer registration exemption for firms having no place of business in Idaho that effect securities transactions exclusively on behalf of institutional clients.

Paragraph (b) of § 30-1402(3) of the Idaho Securities Act provides an exclusion from the statutory definition of "broker-dealer" for:

"a person who has no place of business in this state if he effects transactions in this state exclusively with or through the issuers of the securities involved in the transactions, other broker-dealers, or banks, saving institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940,.... Or other financial institutions or institutional buyers, whether acting for themselves or as trustee..."

Based on your representation that your customers are exclusively with those entities delineated above, broker-dealer registration is not required in Idaho.

Please be advised that our position is based solely on your representation of the facts. Different facts may require a different conclusion.

If you have questions or comments, please do not hesitate to contact the undersigned.

Sincerely,

*Ax (file copy)*  
Nancy C. Ax  
Securities Analyst

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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AUG 28 2003

DEPARTMENT OF FINANCE

August 26, 2003

Idaho Securities Commission  
Department of Finance  
P.O. Box 83720  
Boise, ID 83720-0031

To Whom It May Concern:

This letter is to request a written notification of exemption from the broker-dealer registration requirements of the Idaho Securities Act.

( ) is a registered broker-dealer located in the state of Texas. has served exclusively institutional customers since its inception in 1977.

is an introducing broker and clears through a wholly-owned subsidiary of on a fully disclosed basis. does not hold customer funds or securities; operating under a k(2)(ii) exemption. There are no retail accounts at .

The Idaho Securities Act Section 30-1402(3)(b) states that dealer registration does not apply to:

" a person who has no place of business in this state if he effects transactions in this state exclusively with or through the issuers of the securities involved in the transactions, other broker-dealers, or banks, saving institutions, trust companies, insurance companies, investment companies as defined in the investment company act of 1940, pension or profit-sharing trusts or other financial institutions or institutional buyers, whether acting for themselves or as trustee; or..." The customers of are exclusive of this list.

has a previous exemption from your office. We are in the process of updating our files and would like a new copy to keep the files current. A return, self-addressed envelope is enclosed for your convenience. If you need additional information, please contact at extension . Thank you for your assistance in this matter.

Sincerely,