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ARIZONA CORPORATION COMMISSION

JAMES MATTHEWS  
EXECUTIVE SECRETARY

SECURITIES DIVISION  
1300 West Washington  
Third Floor  
Phoenix, AZ 85007-2996  
TELEPHONE: (602) 542-4242  
FAX: (602) 542-3583

April 25, 1995

Michael E. DeFao, Esq.  
Ropes & Gray  
One International Place  
Boston, MA 02110-2624

RE: The Mentor Funds  
A.R.S. § 44-1844(A)(6)

Dear Mr. DeFao:

On the basis of the facts set forth in your letter of April 18, 1995, and in reliance upon your 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 your letter.

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 registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

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 black ink, appearing to read "Dee Riddell Harris".

DEE RIDDELL HARRIS  
Director of Securities

DRH:jb  
Attachment

ROPES & GRAY  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110-2624

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TELECOPIER: (202) 626-3960

WRITER'S DIRECT DIAL NUMBER: (617) 951-7745

April 18, 1995

Overnight Courier

Leslie R. Block  
Associate General Counsel  
Corporation Commission,  
Securities Division  
1300 West Washington Street, 3rd Floor  
Phoenix, Arizona 85007

Re: Mentor Growth Portfolio,  
Mentor Strategy Portfolio, and  
Mentor Short-Duration Income Portfolio,  
each a series of The Mentor Funds

Dear Ms. Block:

On behalf of the Mentor Growth Portfolio, Mentor Strategy Portfolio, and Mentor Short-Duration Income Portfolio (collectively, the "Surviving Funds"), each a series of The Mentor Funds, a Massachusetts business trust operating as an open-end investment company under the Investment Company Act of 1940, we hereby request confirmation of the availability of an exemption under Section 44-1844(a)(6) of the Arizona Revised Statutes, as amended, (the "Act") with respect to the transactions described below.

As you will note in the enclosed materials, the shareholders of the Mentor Growth Fund, Mentor Strategy Fund, and Mentor Short-Duration Fund (collectively, the "Dissolving Funds"), each a series of The Mentor Series Trust, also a Massachusetts business trust operating as an open-end investment company under the Investment Company Act of 1940, are being asked to vote on a proposal whereby each Surviving Fund will acquire all of the assets and assume all of the liabilities of the respective Dissolving Fund in exchange for a number of shares of beneficial interest in the Surviving Fund equal in value to the value of the net assets of the Dissolving Fund transferred to the Surviving Fund. If the proposed transaction is approved by the shareholders of the Dissolving Fund, each shareholder of the Dissolving Fund will receive that number of full and fractional shares of beneficial interest in the respective Surviving Fund which are equal in aggregate value at the date of exchange to the value of the

April 18, 1995

shares of the Dissolving Fund attributable to the shareholder.

As set forth in the enclosed materials, each proposed reorganization will be effected pursuant to the Declaration of Trust of the Mentor Series Trust which requires the affirmative vote of not less than a majority of the outstanding shares of the respective Dissolving Fund entitled to vote to consummate the transaction.

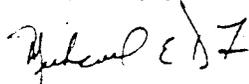
You will note that the shares of beneficial interest in the Dissolving Funds are currently registered in your state in connection with the continuous offering of those shares, and shares of beneficial interest in the Surviving Funds are the subject of either a current, pending or successor registration in your state in connection with the continuous offering of those shares.

In the past, in substantially similar transactions (most recently in January, 1995 for the Colonial Global Utilities Fund), your office has permitted Massachusetts business trusts to utilize this exemption. Accordingly, we hereby respectfully request confirmation of the availability of an exemption under Section 44-1844(a)(6) of the Act with respect to the transactions described above. In this regard, we have enclosed a check in the amount of \$200. Also enclosed, please find a copy(ies) of the proxy materials that will be distributed to shareholders of the Dissolving Funds. It is anticipated that proxy materials will be mailed to the shareholders on or about May 2, 1995. Accordingly, we hereby request confirmation of the availability of the exemption before that date.

If you have any questions or comments, please do not hesitate to contact me.

Kindly acknowledge receipt of this filing by date-stamping the enclosed copy of this letter and returning it to me in the stamped, self-addressed envelope provided for that purpose.

Very truly yours,



Michael E. DeFao

MED:2030489.01

Enclosures

cc: Margaret W. Chambers