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DIRECTOR

SECURITIES DIVISION
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ARIZONA CORPORATION COMMISSION

February 6, 2008

Charles R. Berry, Esq.
Titus, Brueckner & Berry
Suite 200
8355 E. Hartford Drive
Scottsdale, AZ 85255-2548

RE: Statesman Realty, LLC
A.A.C. R14-4-104

Dear Mr. Berry:

On the basis of the facts set forth in your letter dated January 30, 2008, 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 antifraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letter containing the facts upon which this position is based.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew J. Neubert".

MATTHEW J. NEUBERT
Director of Securities

Attachment

LAW OFFICES
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A PROFESSIONAL CORPORATION

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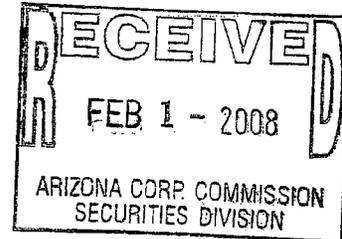
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January 30, 2008

Cheryl T. Farson, General Counsel
Arizona Corporation Commission
Securities Division
1300 West Washington Street, Third Floor
Phoenix, Arizona 85007-2996

Re: Request for No-Action Letter by Statesman Realty, LLC;
Sale of Participation Interests in Toscana Vacation Suites Rental Pool

Dear Ms. Farson:



On behalf of our client, Statesman Realty, LLC, an Arizona limited liability company ("Statesman Realty"), we respectfully request that, pursuant to A.R.S. §44-1826, the Securities Division of the Arizona Corporation Committee not recommend any enforcement action against Statesman Realty or its managers and executive officers if they market and sell participation interests ("Participation Interests") in a proposed rental pool arrangement without registration as dealers or salesmen under the Securities Act of Arizona.

1. Relevant Facts

Statesman Holdings, LLP, an Arizona limited liability partnership ("Statesman Holdings") is an established developer and operator of condominiums and resorts in North America. Statesman Holdings has created a project in Phoenix, Arizona known as Toscana Vacation Suites Condominiums (the "Project"). Statesman Realty, an affiliate of Statesman Holdings, would like to offer purchasers of condominium units within the Project an opportunity to participate in a voluntary rental pool program (the "Rental Pool") managed by Statesman Realty. Participants in the Rental Pool would dedicate their condominium units to the Rental Pool during periods when the owners will not occupy their units. Statesman Realty intends to offer all condominium units within the Project dedicated to the Rental Pool for rent to third parties on an equal basis with no priority to any condominium unit. Statesman Realty anticipates that income from the Rental Pool will be pooled and distributed equitably to participating unit owners, after payment of operating expenses and a management fee to Statesman Realty, whether or not any particular owner's unit was actually rented.

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The offer and sale of the condominium units themselves will be handled separately by Statesman Sales and Marketing, LLC, ("Statesman Sales and Marketing") an Arizona limited liability company that is a separate affiliate of Statesman Holdings, and that is licensed with the Arizona Department of Real Estate. Statesman Sales and Marketing and its licensed agents will receive normal real estate commissions relating to the sales of condominium units. Statesman Sales and Marketing will not provide any information to prospective buyers related to the Rental Pool, except to inform unit purchasers of the existence of the Rental Pool and direct inquiries about the Rental Pool to Statesman Realty.

Statesman Realty, through its managers and executive officers, intends to offer Participation Interests in the Rental Pool to all qualified purchasers of condominium units in the Project. Statesman Realty will be the only party that will provide documentation or answer questions related to Participation Interests and the Rental Pool, and only managers or executive officers of Statesman Realty will make offers and sales of Participation Interests. Managers or executive officers of Statesman Realty will handle sales of Participation Interests as a part of their regular managerial duties, and will receive no compensation directly or indirectly relating to their sales of Participation Interests.

2. Legal Discussion and Analysis

While the question is not entirely free from doubt, we are confident that the Division would consider the Participation Interests in the Rental Pool to be "securities" under the Securities Act of Arizona (the "Arizona Act") and the Securities Act of 1933, as amended (the "Securities Act"). Statesman Realty does not intend to register the offering of Participation Interests under the Securities Act, the Arizona Act or the securities laws of any other jurisdiction, but intends to make a limited offering relying on exemptions from registration provided by Sections 3(b) and 4(2) of the Securities Act, Regulation D, Arizona Corporation Commission Rule 14-4-126 ("Rule 126"), and other comparable exemptions. Only unit owners who are "accredited investors," as defined in Rule 126, will be eligible to purchase Participation Interests in the Rental Pool.

Assuming, for purposes of this request, that the Participation Interests are securities, Statesman Realty could be considered a dealer, and its officers involved considered salesmen, under A.R.S. § 44-1801(9) and (22), respectively. A.R.S. § 44-1844(A)(1) provides an exemption from dealer and salesmen registration requirements of A.R.S. § 44-1842 for transactions by an issuer not involving a public offering. However, Rule R14-4-104 ("Rule 104") provides that despite the exemption, a dealer or salesman must register as such under the Arizona Act, if the dealer or salesman is "engaged principally and primarily in the business of making a series of private offerings." Rule 104 further states that, " 'series' means in excess of four private offerings within, from, or outside Arizona in any consecutive 12-month period."

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Statesman Realty, through its officers, currently anticipates making only one private offering within, from or outside Arizona, and it does not intend to make in excess of four private offerings in any consecutive 12-month period. Because Statesman Realty will not make a series of private offerings, we are of the opinion that it need not register as a dealer, and that its officers need not register as salesmen, under the Arizona Act.

3. Certifications and Representations

On behalf of Statesman Realty, we certify that:

(a) within the knowledge of Statesman Realty, the proposed transaction described is not directly or indirectly the subject of any pending or final judicial, SRO or administrative proceeding; and

(b) the transaction described has not been commenced.

We are not aware of any adverse effect on the public interest that may result from the granting of a no-action letter in this case.

4. Conclusion

We believe that, assuming the Participation Interests are securities, Statesman Realty, as the issuer of the Participation Interests, would fall within the definition of a "dealer" contained in A.R.S. 44-1801(9)(b) as an issuer who "engages in selling securities issued by such issuer." Its managers or executive officers would each fall within the definition of "salesman" under A.R.S. § 1801(22). However, we are further of the opinion that Rule 104 exempts Statesman Realty and its officers from registration as a dealer or salesmen because they would not be engaging in that business by conducting a "series" of private offerings. If the offering of Participation Interests is an exempt transaction under A.R.S. § 44-1844(A)(1) and Rule 126(F), Rule 104 makes it clear that dealer or salesman registration would be required only if the issuer or salesmen engage in making "in excess of four private offerings within, from or outside Arizona in any consecutive 12-month period."

On behalf of Statesman Realty, we respectfully request that the Division not recommend any enforcement action if Statesman Realty, its managers or executive officers, offer and sell Participation Interests in the Rental Pool without registration as a dealer or salesmen, respectively, under the Arizona Act. If you disagree with our analysis, please contact me so that we can confer prior to issuing any adverse written response.

On behalf of Statesman Realty, we acknowledge that this request, together with any documents or information submitted and any response from the Division, is public information that may be released for publication, except as otherwise provided by law.

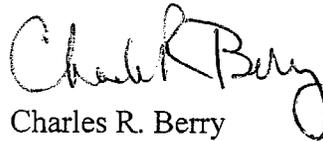
Cheryl T. Farson, General Counsel
Arizona Corporation Commission
Securities Division
January 30, 2008

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A check is enclosed to cover the fee prescribed by A.R.S. §44-1861(M), payable to the Securities Division, Arizona Corporation Commission, in the amount of \$200. Should you have any questions or require any additional information, please feel free to contact me or Michael Patterson of our office.

Very truly yours,

TITUS, BRUECKNER & BERRY P.C.


Charles R. Berry

CRB/MFP/rhh

Enclosure

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