

Handwritten signature



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ARIZONA CORPORATION COMMISSION

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VICTOR RODARTE
ACTING DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007-2996
TELEPHONE: (602) 542-4242
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May 15, 1997

Elissa Kaye Grebber, Esq.
Clear Sky
529 Main Street
Schrafft Center Annex
Boston MA 02129

RE: Clear Sky
A.R.S. §§ 44-1893 and 44-3321

Dear Ms. Grebber:

On the basis of the facts set forth in your letter of February 19, 1997, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act or Investment Management 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 notice filing requirements of the Acts; the anti-fraud provisions of the Securities 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,

VICTOR RODARTE
Acting Director of Securities

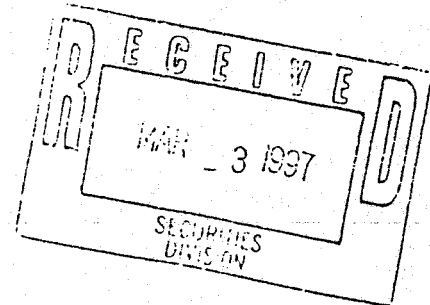
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Attachment



529 Main Street • Schrafft Center Annex • Boston, MA 02129
Phone (617) 263-7100 • Fax (617) 263-7100

February 19, 1997

Victor Rodarte
Chief Deputy Director of Securities
ARIZONA
Corporation Commission
Securities Division
1300 W. Washington Street, Third Floor
Phoenix, AZ 85007



Dear Mr. Rodarte:

This letter is written on behalf of Clear Sky, a division of Automated Business Development Corporation ("Clear Sky") to request certain interpretive or "no action" positions from your office with respect to the filing of certain Blue Sky forms for mutual funds and face amount certificate companies. Clear Sky seeks a determination that certain Blue Sky filing forms are exempt from the notice filing requirements of ARIZONA which require that all forms be manually signed and notarized.

Clear Sky represents that there is no legal action, judicial or administrative, which relates, directly or indirectly, to the facts set forth herein.

We respectfully request, on behalf of the funds which Clear Sky serves as Blue Sky Administrator, that you waive any requirements for mutual funds and face amount certificate companies that require a manual signature and a notarized verification statement.

Background of Clear Sky

Automated Business Development Corporation ("ABD") commenced operations in 1985 to provide state regulatory compliance computer software, support and training for the securities industry. Since its conception ABD has developed an unmatched expertise in applying modern computer and telecommunications technology to security regulatory compliance. ABD is the leading supplier of state regulatory compliance computer software, support and training to the mutual fund industry.

In 1994, ABD expanded its services to include an out-sourcing alternative, Clear Sky, to assist in the state regulatory compliance and maintenance requirements. Clear Sky's primary business focus is the out-sourcing of Blue Sky department's compliance responsibilities (for mutual funds and face amount certificate companies) within the investment industry. As of January 31, 1997, Clear Sky has provided Blue Sky compliance services to approximately 2,000 funds (this includes portfolios and classes comprising approximately 26,720 permits). All aspects of Blue Sky compliance are managed by an expert staff with more than twenty years of experience within the compliance industry. By utilizing the Price Waterhouse Blue2 Software system, the risk of non-compliance is reduced to its lowest levels and segregation of duties and implementation of strict controls and procedures, the risk of non-compliance is reduced to its lowest levels.

Clear Sky has a continuous commitment to establish, maintain, and enhance an effective system of internal controls. In keeping with this commitment, Clear Sky has engaged in a third party to perform an independent review of its internal control structure.

Discussion

Clear Sky currently serves as Blue Sky Administrator for approximately 200 mutual fund companies. For each fund that Clear Sky serves as Blue Sky Administrator, either Elizabeth A. Nystedt, Director, or Elissa Kaye Grebber, Counsel, have been given authority to sign on behalf of the funds (the "Signers"). However, the sheer volume of funds that require manual signatures and a notarized verification statement is overwhelming and it has become a physical hardship to manually sign each notice filing for each fund, portfolio or class and then notarize each such signature. Clear Sky currently mails out approximately 1,500 notice filings each week which requires the Signers to spend hours each day signing forms.

Clear Sky can assure you that the forms will in no way be compromised by eliminating manual signatures. In order to maintain Clear Sky's strict level of controls and procedures, each document is thoroughly reviewed by numerous individuals prior to being signed by the Signers. Clear Sky proposes to continue these controls, but only requests that the forms have typed signatures instead of manual signatures. Typed signatures will only be used once the State has a manual signature on file. Thus, any initial notice filings will contain a manual signature. In conclusion, we request that typed signatures be used for all annual notice filings, amendments, and sales reports.

Accordingly, we hereby respectfully request your concurrence with the conclusions expressed above, by means of an interpretive letter, or the assurance of your office that no enforcement action will be recommended if Clear Sky files its Blue Sky forms with a typed signature.

Victor Rodarte

02/26/97

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If any staff member of your office requires further information, please feel free to contact the undersigned or Elizabeth A. Nystedt at 1-800-590-0026. In any case we would appreciate being informed at your earliest convenience, by letter or telephone call to the undersigned of the identity of the individual assigned to consider this matter.

Very truly yours,

Clear Sky, a division of Automated
Business Development Corporation

By Elissa Kaye Grebber
Elissa Kaye Grebber
Counsel