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MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
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ARIZONA CORPORATION COMMISSION

August 2, 2005

Thomas S. Russell, Esq.
9011 Reservoir Court
Little Rock AR 72227-5701

RE: CUSO Partners, LLC request for no-action
A.R.S. § 44-1844(A)(8)

Dear Mr. Russell:

On the basis of the facts set forth in your correspondence dated June 16, 2005 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 CUSO Partners, LLC offer or sell securities to credit unions under A.R.S. § 44-1844(A)(8).

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 correspondence containing the facts upon which this position is based.

Very truly yours,

A handwritten signature in black ink that reads "Matthew J. Neubert". The signature is written in a cursive style with a large, sweeping flourish at the end.

MATTHEW J. NEUBERT
Director of Securities

MJN:sd
Attachment

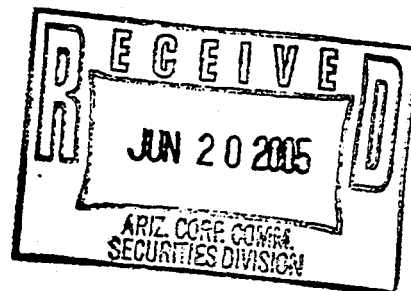
Thomas S. Russell
Attorney at Law
9011 Reservoir Court
Little Rock, Arkansas 72227-5701
v/f: (501) 225-9011
E-mail: sirthomas@arkansaslawyer.biz

June 16, 2005

Arizona Corporation Commission
Mr. Matthew J. Neubert, Director
Securities Commission
1300 West Washington Street-Third Floor
Phoenix, AZ 85007

ATTN: Ms. Cheryl T. Farson, General Counsel

RE: Request for No Action Letter for
CUSO Partners, LLC ("CPLLC")
A. R. S §44-1844(A)(8)/A.R.S. §44-1844(A)(1)



Dear Director Neubert:

This letter is submitted pursuant to the provision of A.R.S. §44-1826 for the issuance of a no-action letter from the Arizona Securities Commission pertaining to the offer and sale of ownership interests in Cuso Partners, L.L.C. pursuant to A.R.S. §44-1844.

A.R.S. §1844-1826(B)(1):

This request is made pursuant A. R. S §44-1844(A). Offers and sales of ownership interests in CPLLC, by CPLLC as the issuer, do not involve any public offering and are only offered to federally and state-chartered credit unions. In the majority of jurisdictions, credit unions by statute, rule, or order are defined or deemed to be either a bank, financial institution or institutional investor/buyer for securities law purposes and therefore we are requesting a no action letter premised on A. R. S. §44-1844(A)(8). In the event an offer or sale of an interest in CPLLC is not deemed to be within the purposes fairly intended by the policy and provision of A. R. S. §44-1844(A)(8), I herein request that the offer and sale of interests in CPLLC be found within the purposes fairly intended by the policy and provisions of A. R. S. §44-1844(A)(1) as a non-public offering or in the alternative be found within the purposes fairly intended by the policy and provisions of A.R. S. Title 44, Chapter 12, as not necessary or appropriate for the protection of investors.

A.R.S. §1844-1826(B)(2):

Cuso Partners, LLC, ("CPLLC") is a limited liability company chartered under the laws of the State of Delaware, with its main office located at 800 Shades Creek Parkway, Birmingham, Alabama 35290. The principal purpose of CPLLC is the management of a credit union service organization providing securities brokerage services. CPLLC is a fully disclosed, general securities broker-dealer and pursuant to their membership agreement with the National Association of Securities Dealers, Inc. (NASD), is permitted to conduct business as a broker retailing corporate debt securities and as a U. S. government securities broker. CPLLC is also registered with the Securities Exchange Commission.

Offers and sales of ownership interests are restricted to federally and state-chartered credit unions and credit union trade associations owned exclusively by credit unions. CPLLC is currently owned by twenty-six federally and state chartered credit unions. An ownership interest consists of 25 units at \$1,000 per unit; the issuance of fractional units is permitted. CPLLC offers one class of voting interests ("Managing Member Interests") and four classes of non-voting interests ("A-Class; L-Class; M-Class, and S-Class.") The one exception is the S-Class interest with a maximum consideration of \$5,000.

The initial sale of interests in CPLLC was purely a private secondary sale in which the original six federally and state-chartered credit unions acquired voting, managing member interests.

The offer and sale of additional interests was based on a self-executing 1933 Act, Section 4(2) exemption by an issuer not involving any public offering. Each of the additional twenty credit union owners, prior to the issuance of its ownership interest, submitted an Admission Agreement containing the representations and warranties of a 4(2) offering. A sample copy of the Admission Agreement executed by all the current credit union owners is enclosed as Exhibit A.

A.R.S. §1844-1826(B)(3):

CPLLC exists to serve its member credit unions directly, as well as indirectly through credit union trade associations. Its owners include both federal and state-chartered credit unions. All managing members of CPLLC must be officers of credit unions holding an ownership interest ("interest holders"). The purpose of this requirement is to insure that CPLLC is operated in a manner which serves the best interests of credit unions, including its interest holders. All officers of CPLLC are either officers of the interest holders or officers of the clearing broker-dealer with whom CPLLC has contracted to provide all administrative, operational, regulatory, financial and reporting requirements.

CPLLC was structured as a "credit union service organization" under Section 712 of its regulations in accordance with authority granted in Sections 107(5)(D) and 107(7)(I) of the Federal Credit Union Act, 12 U. S. C. 1757(5)(D) and (I). As a credit union service organization ("CUSO") CPLLC must comply with the applicable rules of the National Credit Union

Administration ("NCUA"). These include rules governing its form of organization, customer base, permissible business activities and accounting policies, among others. Under the NCUA's regulations a cuso must exist primarily to meet the needs of its member credit unions 12 C.F.R. 712.3(b).

More specifically, under the NCUA regulations a cuso must: (1) be organized as either a corporation, limited liability company, or limited partnership 12 C. F. R. 712.3(a); (2) primarily serve credit unions, its membership, or the membership of credit unions contracting with the cuso 12 C. F. R. 712.3(b); (3) engage only in activities and provide those services described in 12 C. F. R. 712.5; (4) follow generally accepted accounting principles, provide its federal credit union interest holders with a balance sheet and income statement at least quarterly and provide copies of an annual audited report issued by a certified public accountant to each interest holder federal credit union 12 C. F. R. 712.3(d). NASD and SEC membership also require the preparation and filing of annual audited financial statements, as well as quarterly filings of the required FOCUS reports.

A cuso must provide the NCUA Board, or the Board's representatives, with complete access to its books and records as deemed necessary by the NCUA in carrying out its responsibilities under the Federal Credit Union Act, 12 C. F. R. 712.3(d)(3). CPLLC, therefore, is subject to examination by the NCUA and must operate in accordance with the applicable rules of that agency.

The NCUA regulations which are applicable to CPLLC establish requirements which must be met not only for the benefit of federal credit unions, but for the benefit of state-chartered credit unions as well. As a cuso, under the applicable NCUA regulations, CPLLC must be operated primarily to serve the needs of all credit unions it serves, regardless of whether they are chartered under federal or state law. CPLLC operates in compliance with NCUA regulations and its mode of operation, as well as the offering of its ownership interests and treats all credit unions alike, regardless of whether the credit union is chartered under federal or state law.

A.R.S. §1844-1826(B)(4):

A. R. S §44-1844(A)(8) is the subsection of the statute for which a no-action letter is specifically requested. In the event an offer or sale of an interest in CPLLC is not deemed to be within the purposes fairly intended by the policy and provision of this sub-section, I herein request that the offer and sale of interests in CPLLC be found within the purposes fairly intended by the policy and provisions of A. R. S. §44-1844(A)(1) as a non-public offering or in the alternative be found within the purposes fairly intended by the policy and provisions of A.R. S. Title 44, Chapter 12, as not necessary or appropriate for the protection of investors.

A.R.S. §1844-1826(B)(5):

Like banks, savings and loan associations, registered investment companies and business development companies, credit unions are in the business of investing money. Like these other

institutions they accept money from investors or depositors and invest the proceeds in loans and other investments as part of a regular and ongoing business. Accordingly, they are very experienced in making investment decisions and, therefore, in their capacity as buyers of securities, there is no basis to distinguish credit unions from other financial institutions routinely recognized as banks, financial institutions, or institutional buyers for purposes of a transactional exemption for sales to such entities. Twenty-six (26) states specifically recognize credit unions as meeting the requirements of either a bank, financial institution, institutional investor or institutional buyer for securities law purposes.

A.R.S. §1844-1826(B)(6):

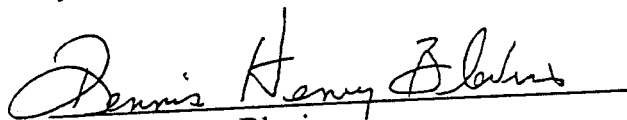
There are no adverse effects on the public interest resulting from the granting of this request.

Contrariwise, the beneficial effects on the public interest are significant. Credit unions are non-profit, member-owned cooperatives that serve defined fields of membership, and generally have volunteer boards. Earnings from a credit union are returned to their members through low fees, better interest rates, and dividends. Credit unions are restricted in where they may invest their member's deposits, and are subject to stringent capital requirements. As a cuso, CPLLC enhances the financial performance of each participating credit union interest holder in the attainment of these cardinal elements of the credit union movement.

There are presently sixty-four (64) NCUA member credit unions in the state of Arizona, sixteen of which are federally chartered.

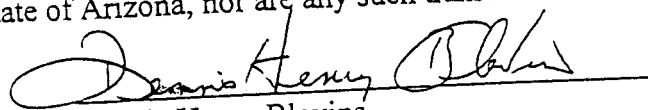
A.R.S. §1844-1826(B)(7):

Certification: On behalf of CPLLC and to the best of my knowledge and belief, the transaction described above is not directly or indirectly the subject of any pending or final judicial, SRO or administrative proceeding.


Dennis Henry Blevins
Executive Vice-President of
Cuso Partners, L.L.C.

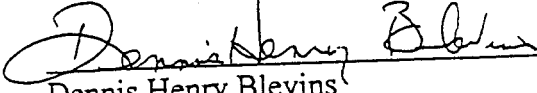
A.R.S. §1844-1826(B)(8):

Certification: On behalf of CPLLC and to the best of my knowledge and belief, no interests in CPLLC have been effected in the state of Arizona, nor are any such transactions currently pending.


Dennis Henry Blevins
Executive Vice-President of
Cuso Partners, L.L.C.


A.R.S. §1844-1826(B)(9):

Acknowledgment: On behalf of CPLLC, I hereby acknowledge that the representations within, 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.


Dennis Henry Blevins
Executive Vice-President of
Cuso Partners, L.L.C.

Based on the foregoing, I believe that the offer and sale of CPLLC interests to credit unions are exempt from the registration requirements of the laws regulating the sale of securities and request the Commission concur with this view. If I can provide you with further information please contact me as set forth below.

Very truly yours,


Thomas S. Russell, Esquire
9011 Reservoir Court
Little Rock, Arkansas 72227-5701
501-765-2430
sirthomas@arkansaslawyer.biz

Encl. (1)

EXHIBIT A.

ADMISSION AGREEMENT

Mr. Charles White
President and CEO
800 Shades Creek Parkway, Suite 700
Birmingham, AL 35209

Re: CUSO PARTNERS, L.L.C.

Gentlemen:

(a) The undersigned hereby irrevocably subscribes for an M-Class membership interest in CUSO Partners, L.L.C., a Delaware limited liability company (the "Company"), in the amount of 25 Units ("Units"), at a subscription price of \$1,000/Unit, and tenders herewith in consideration of such subscription the undersigned's check (or wire transfer) payable to the Company in the amount of \$25,000 (the "Subscription Amount"). The undersigned hereby acknowledges that it thoroughly understands that the undersigned shall be admitted by the Company as an M-Class Member only upon the affirmative vote of the Company's Managing Members holding two-thirds of Managing Member votes, as set forth in Section 5.3 of the Amended and Restated LLC Agreement of the Company, dated December 31, 2003 (the "Operating Agreement"). In the event the requisite number of Managing Member votes is not obtained, the Company shall refund to the undersigned the Subscription Amount, with no further obligation.

(b) The undersigned, by reason of its knowledge and experience in financial and business matters in general, believes that it is capable of evaluating the risks and merits of this investment. The undersigned hereby acknowledges that it has received, read and thoroughly understands the contents of the following:

1. The Certificate of Formation of the Company, as filed with the Secretary of State of the State of Delaware on February 22, 2001, and the Certificate of Amendment thereto, as filed with the Secretary of State of the State of Delaware on October 22, 2001 (collectively, the "Certificate"), collectively attached hereto as Exhibit A; and
2. The Operating Agreement, attached hereto as Exhibit B; and
3. The Exclusive Management Services Agreement, dated January 31, 2002, by and between the Company and SAL Financial Services, Inc., now known as Sterne Agee Capital Markets, Inc., attached hereto as Exhibit C; and
4. The Fully Disclosed Correspondent Clearing Agreement, dated October 22, 2001, by and among the Company, Sterne, Agee & Leach, Inc., and SAL Financial Services, Inc., now known as Sterne Agee Capital Markets, Inc., attached hereto as Exhibit D.

The undersigned acknowledges that the Company has made available to the undersigned, and to legal counsel, accountants, and investment advisors of the undersigned (the "Advisors"), if any, the opportunity to obtain additional information to verify the accuracy of the information set forth above and to otherwise evaluate the merits and risks of this investment. The undersigned acknowledges that the undersigned and the Advisors have had the opportunity to ask questions of and receive satisfactory answers from the Administrative Manager of the Company concerning the terms and conditions of the offering of Units of the Company and the operation thereof. In reaching the decision to subscribe for the Units, the undersigned has carefully evaluated its financial resources and investment position, and the risks associated with this investment, and the undersigned acknowledges that the undersigned is able to bear the economic risks of this investment.

(c) The undersigned represents that it has not been formed for the specific purpose of making an investment in Units of the Company (unless the undersigned meets the requirements of Section (d)(4) below); that the undersigned has duly authorized the execution of this Admission Agreement and the purchase of the Units by all necessary corporate action; and that the undersigned has full power and corporate authority to purchase the Units and to be an M-Class Member of the Company under the terms and conditions of the Certificate and the Operating Agreement.

(d) The undersigned represents and warrants to the Company as follows (Check the applicable box below):

1. The undersigned is a natural person whose individual net worth, or joint net worth with the undersigned's spouse, at the time of this purchase of the Units exceeds \$1,000,000.
2. The undersigned is a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with the undersigned's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.
3. The undersigned is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), a corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Units of the Company, with total assets in excess of \$5,000,000.
4. The undersigned is an entity in which all of the equity owners meet at least one of the definitions set forth in subparagraphs (1), (2) or (3) of this Section (d).

5. The undersigned is a natural person or entity which does not meet any of the definitions of subparagraphs (1), (2), (3) or (4) of this Section (d).

(e) The undersigned understands that no federal or state agency has recommended or endorsed the purchase of the Units or passed on the adequacy or accuracy of the information provided to the undersigned.

(f) The undersigned acknowledges that it has been advised to consult with a tax advisor regarding the tax consequences of participating as an M-Class Member of the Company. The undersigned is aware that there can be no assurance regarding the federal tax consequences of an investment in the Company, nor can there be any assurance that the Code, or the regulations promulgated thereunder, will not be amended in such manner as to deprive the Company and its M-Class Members of any tax benefits that they might have otherwise received.

(g) The undersigned hereby agrees to become an M-Class Member of the Company under the terms and conditions of the Certificate and the Operating Agreement and agrees to accept, adopt and be bound by each and every provision contained in said Certificate and Operating Agreement.

(h) The undersigned is aware of the fact that the Units have not been registered nor is registration contemplated under the Securities Act of 1933, as amended, or any state securities laws, and that the Operating Agreement includes substantial restrictions on the transfer of the Units, including, without limitation, the written consent of the members of the Company and an opinion of counsel that the Units may be sold or transferred without violating the registration requirements of the federal and state securities laws.

(i) The undersigned hereby represents that it is acquiring the Units solely for its own account and that the undersigned is not purchasing the Units with a view to the distribution thereof. The undersigned further represents that it is not acting in a fiduciary capacity or for any person who directly or indirectly supplied funds for the purchase of the Units, unless disclosed herein. The undersigned represents that its financial condition is such that the undersigned is not under any present necessity or constraint to dispose of the Units to satisfy any existing or contemplated debt or undertaking. The undersigned represents and warrants that it has adequate means of providing for its current needs and personal contingencies and that it has no need for liquidity of this investment.

(j) The undersigned hereby agrees that the agreements and representations herein set forth shall become effective and binding upon the undersigned, its heirs, legal representatives, successors and assigns upon the acceptance of this Admission Agreement by the Company; that this subscription is irrevocable; and that the representations and warranties set forth in this Admission Agreement shall survive the acceptance hereof by the Company.

IN WITNESS WHEREOF, the undersigned has executed this Admission Agreement on the date set forth below.

NAME IN WHICH UNITS ARE TO BE REGISTERED:

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:

DATED: ____ day of _____, 20____.

(Name of Subscriber Credit Union)

By: _____

Its: _____

Print Name: _____

Accepted on this ____ day of _____,

20____.

CUSO PARTNERS, L.L.C.

By: _____
Mr. Charles White, President and CEO

IMPORTANT TAX INFORMATION

Under the federal income tax law, you are to provide the Company with a correct taxpayer identification number and certification that you are not subject to backup withholdings on the Substitute Form W-9. All payments that are made to you with respect to the Units may be subject to backup withholding if you do not comply with these requirements. In addition, if the Company is not provided with the correct taxpayer identification number, you may be subject to a \$50 penalty imposed by the Internal Revenue Service.

Exempt members (including among others, all corporations and certain foreign persons) are not subject to those backup withholding and reporting requirements. Nonetheless, exempt members should complete the Substitute Form W-9. In order for a foreign person to qualify as an exempt recipient, that member must submit a statement, signed under penalties of perjury, attesting to that person's exempt status. Such statements can be obtained from the Company.

If backup withholding applies, the Company is required to withhold 31% of any payments made to the member. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of the tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

Purpose of Substitute Form W-9

To prevent backup withholding on payments that are made to you with respect to Units of the Company, you are required to notify the Company of your correct taxpayer identification number by certifying that the taxpayer identification number provided on the substitute Form W-9 is correct (or that you are awaiting a taxpayer identification number).

What Number to Give

As a record owner of the Units, you are required to give the Company your Social Security Number or Employer Identification Number. If the Units are registered in more than one name or are not in the name of the actual owners, consult the Company for additional guidelines on which number to report.

PAYER'S NAME: CUSO Partners, L.L.C.		
SUBSTITUTE FORM W-9 Department of the Treasury Internal Revenue Service Payer's Request for Taxpayer Identification Number (TIN)	Part 1 - PLEASE PROVIDE YOUR TAXPAYER IDENTIFICATION NUMBER IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW	Social Security Number OR Employer Identification Number
	Part 2 - Check the following box if you are NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (1) you have not been notified that you are subject to backup withholding as a result of failure to report all interest on dividends or (2) the Internal Revenue Service has notified you that you are no longer subject to withholding. <input type="checkbox"/>	
	Part 3 - Check the following box if you are awaiting a Taxpayer Identification Number. <input type="checkbox"/>	
CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER By checking the box in Part 3, I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office, or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within sixty (60) days, 31% of all reportable payments made to me thereafter will be withheld until I provide a number. CERTIFICATION: UNDER THE PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.		
SIGNATURE _____		DATE: _____, 2005
NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU.		

