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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

June 29, 1995

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

RE: Mentor Capital Growth Portfolio  
A.R.S. § 44-1844(A)(6)

Dear Mr. DeFao:

On the basis of the facts set forth in your letter of June 9, 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 cursive script, appearing to read "Dee Ridell Harris".

DEE RIDDELL HARRIS  
Director of Securities

DRH:jb  
Attachment

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

30 KENNEDY PLAZA  
PROVIDENCE, R. I. 02903  
(401) 455-4400  
TELECOPIER: (401) 455-4401

(617) 951-7000  
TELECOPIER: (617) 951-7050  
WRITER'S DIRECT DIAL NUMBER: (617) 951-7395

1001 PENNSYLVANIA AVENUE, N. W.  
SUITE 1200 SOUTH  
WASHINGTON, D. C. 20004  
(202) 626-3900  
TELECOPIER: (202) 626-3961

June 9, 1995

OVERNIGHT COURIER

Leslie Block, Associate  
General Counsel  
Securities Division  
1200 West Washington Street  
Suite 201  
Phoenix, Arizona 85007

Re: Mentor Capital Growth Portfolio (Exchange Offer)

Dear Ms. Block:

On behalf of Mentor Capital Growth Portfolio, (the "Capital Growth Portfolio"), a series of The Mentor Funds, a Massachusetts business trust operating as an investment company registered 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 ("Act") with respect to the transaction described below.

As you will note in the enclosed materials, the shareholders of the Mentor/Cambridge Growth Portfolio (the "Growth Portfolio"), also a series of The Mentor Funds, are being asked to vote on a proposal whereby the Capital Growth Portfolio will acquire all of the assets and assume all of the liabilities of the Growth Portfolio in exchange for a number of Class A and Class B shares of beneficial interest in the Capital Growth Portfolio equal in value to the value of the net assets of the Growth Portfolio transferred to the Capital Growth Portfolio. If the proposed transaction is approved by the shareholders of the Growth Portfolio, each shareholder of the Growth Portfolio will receive that number of full and fractional Class A and Class B shares of beneficial interest in the Capital Growth Portfolio which are equal in aggregate value at the date of the exchange to the value of the respective Class A and Class B shares of the Growth Portfolio attributable to the shareholder.

As with the recent transactions, we believe that the above-described exchange offers satisfy the exemption set forth in Section 44-1844(a)(6) of the Act which states that the registration provisions of the Act shall not apply to "any transaction or series of transactions incident to a statutory or judicially approved reorganization, merger, triangular merger,

consolidation, or sale of assets, incident to a vote by securities holders pursuant to the articles or incorporation, the applicable corporate statute, partnership agreement or the controlling agreement among securities holders."

The proposed reorganization is being made pursuant to the Declaration of Trust of the Growth Portfolio. Therefore, since the Declaration of Trust amounts to the "controlling agreement among the securities holders" of the Growth Portfolio, the proposed reorganization should be exempt pursuant to Section 44-1844(a)(6) of the Act and require no further registration.

Further, please be advised that the Class A and Class B shares of beneficial interest in the Capital Growth Portfolio are currently registered in your state in connection with the continuous offering of those shares.

Accordingly, we hereby respectfully request confirmation of the availability of the exemption under Section 44-1844(a)(6) of the Act. In support of this request, we have enclosed a check in the amount of \$200. Also enclosed, please find copies of the proxy materials as submitted to the Securities and Exchange Commission.

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 the same to me in the stamped, self-addressed envelope provided for that purpose.

Very truly yours,



Michael E. DeFao

MWC/alr:3055015.01

Enclosures

cc: Margaret W. Chambers, Esq.