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ARKANSAS SECURITIES DEPARTMENT

August 8, 2000

Elizabeth A. Nystedt
ClearSky
529 Main Street
Schrafft Center Annex
Boston, MA 02129

Re: Request for No-Action Position
No 00-005

Dear Ms. Nystedt:

The Department has received your letter, dated June 5, 2000, requesting that the staff of the Department recommend that the Commissioner take no action with respect to the filing of sales reports pursuant to Rule 509.01(A) of the Rules of the Arkansas Securities Commissioner (the "Rules"). A brief summation of the facts surrounding your request, as more fully described in your letter, is set forth below.

ClearSky currently serves as Blue Sky Administrator for approximately 3000 mutual funds including portfolios and classes comprising approximately 136,000 permits. ClearSky has represented that it has a continuous commitment to establish, maintain, and enhance an effective system of internal controls evidenced by the fact that ClearSky has engaged a third party to perform an independent review of its internal control structure. The procedures utilized by ClearSky for the past four years include filing a sales report to coincide with the permit period of the fund and the fees are based upon that permit period. Ark. Code Ann. §23-42-509(a)(3) provides that an annual or periodic report of the value of such covered securities offered or sold in the state as necessary to compute fees. Rules 509.01(A)(1)(b) and 509.01(A)(2)(b) provide that for issuers paying less than the maximum filing fee, a sales report of the amount of securities sold in this State during the filing period shall be provided on Form NF. The sales report shall coincide with the filing period and associated fees.

Based upon the representations and opinions expressed in your letter, the staff will recommend that the Commissioner take no action to enforce the filing of a sales report on any time period other than the permit period and fees associated with that period. Please note that the position of this Department is based solely upon the representations made in your letter and applies only to the transactions identified therein. Different facts or circumstances might, and often would, require a different response. The position expressed deals only with anticipated enforcement action by the Department and does not purport to be a legal opinion.

Sincerely,


Ann McDougal

Assistant Commissioner