

February 10, 1999

Ms. Lynn Lile Wright

JACK, LYON & JONES, P.A.

3400 TCBY Tower

425 West Capitol Avenue

Little Rock, AR 72201-3472

RE: Millennium Capital Advisors, Inc.

No Action No. 98-014; Supplemental

Dear Ms. Wright:

This Department is in receipt of your letter dated February 3, 1999, and attachments requesting this Department to modify or clarify its position as regards the propriety of payment by Millennium Capital Advisers, Inc. ("Millennium") for the solicitation of customers as outlined in No Action No. 98-014. Specifically, you request clarification as to whether the Department draws a distinction between the nature of the disclosure to be given to customers by solicitors affiliated with Millennium as opposed to those solicitors not affiliated (other than by way of the underlying solicitation agreement).

The Department is of the position that the provisions of the federal rule pertaining to solicitations as set forth in 17 CFR 275.206(4)(3) should govern. That is, those solicitors who are not affiliated with Millennium must provide greater disclosure than those who are affiliated. In the latter instance, the disclosure to the client must reveal the affiliation at the time of the solicitation or referral, but need not set forth the terms of the solicitation agreement or the amount paid thereunder.

Please note that the position of the Department is based upon the representations that you have made in your letter referenced above. Different facts and circumstances might well result in a different position being taken. Additionally, the position expressed deals only with anticipated or possible enforcement action, and does not purport to be a legal opinion or to affect any civil liability that may exist.

I trust that this clarification is sufficient for your purposes. If you still have questions, please contact me.

Yours truly,

John E. Moore, Jr.

Staff Attorney