

September 7, 1999

Fay M. Matsukage  
DILL DILL CARR STONBRAKER & HUTCHINGS  
455 Sherman Street, Suite 300  
Denver, Colorado 80203

Re: **Interpretation of "covered security"**  
**No. 99-009**

Dear Ms. Matsukage:

The staff of the Arkansas Securities Department has reviewed your letter of July 8, 1999, wherein you request our interpretation of the application of Section 18(b)(4)(A) of the Securities Act of 1933, in particular, whether a security is a "covered security" when the transaction is exempt from registration pursuant to paragraph (1) or (3) of Section 4 of the '33 act and the issuer of such security "voluntarily" files reports with the Securities Exchange Commission pursuant Section 13 or 15d of the Securities Exchange Act of 1934, but is not required to file reports with the Commission pursuant to Section 13 or 15d of the Securities Exchange Act of 1934.

The staff interprets Section 18(b)(4)(A) of the '33 Act to include as a "covered security" any security in which the issuer of such security has filed a registration statement covering such security with the Securities Exchange Commission **and** is filing reports, whether voluntarily or because required, with the Commissioner pursuant to Section 13 or Section 15d of the Securities Exchange Act of 1934.

Should you have any additional questions regarding this matter, please contact the undersigned.

Sincerely,

BRUCE H. BOKONY  
CHIEF COUNSEL

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