

December 15, 1999

John Gaudin  
Gaudin & Associates, Inc.  
11809 Hinson Road, Suite 100  
Little Rock, Arkansas 72212

Re: Brooke Inzerella  
No Action 99-016

Dear Mr. Gaudin:

The Department acknowledges receipt of your letter, dated November 16, 1999, regarding the examination requirements for registration as an investment adviser representative, wherein you request that the Commissioner waive the provisions of Rule 302.02(C) of the Rules of the Arkansas Securities Commissioner (the "Rules"). The facts of this situation, as understood from your letter, are briefly stated below.

Brooke Inzerella ("Inzerella") has been an employee of Gaudin & Associates, Inc. for three years. Inzerella has taken and passed the Series 63, 65 and 6 tests. He has taken, but failed to pass, the Series 7 exam and is ineligible to retake that exam for six months. In our recent meeting on December 13<sup>th</sup>, you represented that all of the proposed clients of Inzerella live outside of the State of Arkansas. Additionally, you represented that Inzerella will work under your direct supervision and that all documents will have your signature.

Based upon the opinions and representations contained in your letter and in the meeting, the Department will recommend that the Commissioner take no action to enforce the registration provisions of the Arkansas Securities Act, if the following conditions are met.

- Inzerella will take and pass the new Series 65 or the Series 7 before June 1, 2000.
- Inzerella will work under your direct supervision and all documents will have your signature.
- All advice given or funds managed by Inzerella under your supervision will include only securities covered by the Series 6 examination.
- All clients of Inzerella live outside of Arkansas.
- Inzerella will meet all statutory and regulatory requirements of the states where he is doing business as an investment adviser representative.

Please note that the position of the Department is based solely upon the representations in your letter and applies only to the situation 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.

If you have any questions regarding this matter, please contact the undersigned at 324-8685.

Sincerely,

Ann McDougal  
Deputy Commissioner