



DIVISION OF
MARKET REGULATION

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

June 23, 1998

Ronald L. Attkisson
President
Attkisson, Carter & Akers
3060 Peachtree Road, NE
Suite 1400
Atlanta, Georgia 30305

Re: No-Action Relief Granted to Attkisson, Carter & Akers

Dear Mr. Attkisson:

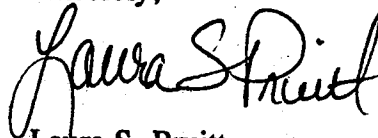
Based on the facts and representations set forth in your letter dated June 17, 1998, the staff of the Division of Market Regulation will not recommend enforcement action to the Commission under Section 15(a) of the Securities Exchange Act of 1934 ("Exchange Act") if Attkisson, Carter & Akers ("ACA") and certain not-for-profit organizations and groups ("Groups") enter into the arrangements described in your letter, without the Groups registering as broker-dealers in accordance with Section 15(b) of the Exchange Act. We note in particular ACA's representations that (i) the Groups participating in the program will be limited to non-profit groups, including civic organizations, charities and educational institutions that rely upon private donations; (ii) the Groups will not hold or have access to or handle Group member/subscribers' funds or securities; (iii) the Groups will not recommend or endorse specific securities; (iv) the Groups will not become involved with the financial services being offered by ACA, including, among others, the opening, maintenance, administration, or closing of the accounts, and the solicitation, processing or facilitation of transactions of any kind relating to accounts; and (v) neither the Groups nor their employees shall directly or indirectly make any statement, endorsement or recommendation of any kind of ACA, its representatives, its accounts, or its financial services to the Groups' member/subscribers, except pursuant to the written materials reviewed and approved in writing by ACA.

Because this position is based on the facts presented and the representations made to the staff in your letter, it should be noted that any different facts or conditions might require a different response. Furthermore, this response only expresses the staff's position on

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enforcement action and does not purport to express any legal conclusions on the question presented.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura S. Pruitt". The signature is written in a cursive style with a large initial "L" and "P".

Laura S. Pruitt
Special Counsel
Office of Chief Counsel

LSP/dn

Enclosure

ATTKISSON, CARTER & AKERS
INCORPORATED

3060 PEACHTREE ROAD, NE
SUITE 1400
ATLANTA, GEORGIA 30305

404/364-2070
US WATS 1/800-848-9555
FAX 404/364-2079

June 17, 1998

Ms. Catherine McGuire
Office of Chief Counsel
Division of Market Regulation
Securities and Exchange Commission
450 5th Street NW
Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
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DIVISION OF MARKET REGULATION

Dear Ms. McGuire,

I am writing to request a no-action letter be granted to our firm on a proposed marketing program. The details are as follows:

Attkisson, Carter & Akers (hereafter referred to as ACA) is a registered broker-dealer firm that would like to offer brokerage services to members or participants of certain organizations or affinity Groups (hereafter referred to as Groups). ~~These organizations and affinity groups would consist of non profit groups, civic organizations, charities, and educational institutions.~~ The organizations which we would be considering rely upon private donations. ACA will enter into the agreement with each Group setting forth the rights and obligations of the respective Group and ACA, as well as the limitations to be imposed on the activities of the Group.

The Group will disclose the availability of ACA brokerage services to its members or participants through either a direct mailing or print advertising or both. The advertisement or mailing will typically include: 1) the Group's endorsement of ACA as a provider of financial services; 2) a brief discussion of the brokerage services available; 3) an ACA toll free number or direct mail address to which all inquires may be directed; 4) in the case of the direct mailing, a new account application form that is returnable directly to ACA and 5) print advertising will include a response card that the member or participant could use to request additional information regarding the available services and a new account application form from ACA.

It is contemplated that the print advertising will appear in the Group's regular membership publication and, dependent upon the terms of the particular agreement, may be paid for by ACA. The Group will also provide ACA with a membership list for use on subsequent mailings. All advertising or promotional material will clearly indicate that if ACA accepts the Group member or participant

as a brokerage customer, that person will be a brokerage customer of ACA and not of the Group.

The Group will agree not to recommend or endorse specific investments in connection with ACA financial services. ACA, however will continue to communicate directly or indirectly with its customers and recommend specific securities and other investments. ACA will endeavor to notify every Group with which it enters into an agreement that any recommendations of specific securities by the Group, or its representatives, may raise questions as to whether the group should itself register as a broker dealer pursuant to section 15(a) of the Securities Exchange Act of 1934. In addition, all promotional materials provided to prospective customers will indicate that the Group is not a registered broker-dealer under the federal securities laws.

The Group will agree that all soliciting materials will be drafted and approved by ACA. ACA will review and be responsible for the accuracy of all advertising and sales promotional materials relative to its financial services that are published or sent out by the Group to its members. The Group will further agree that the Group and its employees are prohibited from describing the available ACA brokerage services to their members other than by distributing these materials.

~~ACA shall require, by contract or otherwise, that neither the Group nor its employees (except with respect to their own accounts) shall become involved with the financial services being offered by ACA, including the opening, maintenance, administration, or closing of the accounts (except with respect to certain limited ministerial matters involving payroll deduction and the transmission of materials prepared or approved by ACA)*, the solicitation, processing, or facilitation of transactions of any kind relating to accounts, the answering of inquires involving the financial services, accounts or transactions, the giving of investment advise or the resolution of any problems, discrepancies, or disputes involving the accounts or related transactions. ACA will provide the Group with a toll-free telephone number for inquiries and an address for written inquiries. The Group shall refer all persons making inquiries of any kind with respect to ACA's financial services to such number or address, as appropriate.~~

Neither the Group nor its employees shall directly or indirectly make any statement, endorsement or recommendation of any kind of ACA, its representative, its accounts, or its financial services to the Group's member/subscribers, except pursuant to written materials reviewed and approved in writing by ACA and agreed to by the Group. No Group will extend credit to any customers for the purpose of purchasing securities through ACA.

In exchange for the group's endorsement of ACA and ACA's access to the Group's membership list, the Group will be directly compensated under one or a combination of the methods described below. Under no circumstances will Group employees or individual Group members be compensated by ACA for the activities described above.

Under the first compensation plan, ACA will pay a predetermined fixed amount to the Group for every brokerage account opened as a result of the soliciting efforts after any and all clearing costs.

ACA may pay a Group a predetermined fixed percentage of the revenue generated from transactions in equities, bonds, and mutual funds in the accounts that were opened as a result of the solicitation efforts after any and all clearing costs.

The Group will segregate its files relative to its endorsement of ACA and give both ACA and the staff of the Securities and Exchange Commission the right to inspect such files to ensure compliance with the representations in this letter. In addition, the Group will be deemed to be a person associated with a broker-dealer within the meaning of section 3(a)(18) of the Securities Exchange Act of 1934.

~~We hereby request that the staff not recommend that the Commission take enforcement action against ACA or the Group if the Group, without registering as a broker-dealer, pursuant to Section 15(b) of the Securities Exchange Act of 1934, undertakes to offer certain ACA brokerage services to its members and employees pursuant to the arrangements described in my letter.~~

If you or someone from your division have any questions or need any additional information, please give me a call at (800)848-9555.

Sincerely,



Ronald L. Attkisson
President
Attkisson, Carter & Akers

*ACA payroll deduction activities will be limited to making payroll deduction forms available to group member/subscribers to give to their employers. With respect to employees of a Group, the Group's payroll deduction activities will be limited to its normal payroll deduction processing functions.