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October 13, 1997

JOSE ADAN TREVINO
MEMBER

Ms. Donna M. D'Orazio
CoreStates Securities Corp
1500 Market Street, Center Square
F.C. 1-3-19-5
Philadelphia, Pennsylvania 19102

RE: CoreStates Securities Corp

Dear Ms. D'Orazio:

This is in response to your letter dated July 1, 1997, and received by this Agency on July 29, 1997.

Your letter indicates that CoreStates Securities Corp ("CSC") has been a registered broker/dealer in the State of Texas since August 12, 1996, and that all registered representatives of CSC, transacting business in the State of Texas, are registered as salespersons in Texas. According to your letter, CSC anticipates expanding its sales forces such that two distinct sales forces will exist. One group would deal solely with retail customers and the other group would deal solely with institutional customers (the latter being referred to as the "Institutional Sales Force"). Additionally, you indicated that the customers of the Institutional Sales Force would be the types of institutions described in Section 5.H of the Texas Securities Act (the "Act"). You represented that CSC will have policies and procedures detailing the types of accounts noted in Section 5.H, and will conduct periodic compliance reviews to ensure compliance with state laws. You have inquired whether the exemption provided by Section 5.H would be available to exempt the Institutional Sales Force from salesman registration in the State of Texas.

Section 5.H of the Act provides an exemption for the sale of any security to the institutions specifically named therein. Please note that Section 109.3(b) of the Rules and Regulations of the State Securities Board requires that the institution be acting for its own account or as a bona fide trustee of a trust organized and existing other than for the purpose of acquiring the securities for which the seller is claiming an exemption under Section 5.H.

Based upon the foregoing understanding, the exemption provided by Section 5.H is available for members of CSC's Institutional Sales Force who confine their activities in this State to offers and sales to institutions of the types specifically enumerated in Section 5.H of the Act.

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Please note that this Agency has not made an independent investigation of the facts, but has relied solely upon the information you have provided. If this information is incorrect or changes substantially, the staff would reconsider the matter and the opinion stated above would be void.

Further, this Agency does not grant nor confer the exemption. Its availability depends entirely upon full compliance with the language of the exemption. If a dispute arises as to the availability of an exemption, the burden of proof falls upon the party claiming the exemption.

Finally, opinions expressed by this Agency are not binding upon civil litigants in future proceedings.

I trust this information answers your inquiry. Please feel free to write us if you need further information.

Very truly yours,

DENISE VOIGT CRAWFORD
Securities Commissioner

David Weaver
General Counsel

DW/mew