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May 13, 1993

Mr. Fred O'Fiesh  
T. Rowe Price Associates, Inc.  
P. O. Box 89000  
Baltimore, Maryland 21289-9999

RE: T. Rowe Price Associates, Inc.

Dear Mr. O'Fiesh:

This is in response to your letter dated March 9, 1993, and received by this Agency March 12, 1993.

Your letter contains several general inquiries, the first of which is whether or not registration as a dealer as defined in Section 4.C of the Texas Securities Act (the "Act") or registration as an agent as defined in Section 4.D of the Act would be required in connection with a transaction exempt pursuant to Section 109.3 of this Agency's Rules which relates to sales to financial institutions and certain institutional investors under The Securities Act, Section 5.H.

Section 139.1(b) of this Agency's Rules provides as follows:

The company or person engaged in a transaction exempt under a rule adopted pursuant to The Securities Act, Section 5.T, shall not be deemed a dealer within the meaning of the Act unless the rule by its terms indicates otherwise.

In view of the fact that Section 109.3 does not by its terms indicate that dealer registration is required, a person effecting transactions pursuant to that exemption is not required to register as a dealer. Since an investment adviser is, for purposes of Section 4.C of the Act, considered to be a form of "dealer," investor adviser registration is likewise not required in connection with the rendering of investment advice solely to the entities listed in Section 109.3. Registration of persons as

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agents of a dealer (or agents of an investment adviser) would not be required in this context either.

Finally, please be advised that if an investment adviser happened to be registered with this Agency and one or more of its agents were to engage in advisory activities in Texas solely with those financial institutions and/or institutional buyers set forth in Section 5.H of the Act and/or Section 109.3 of this Agency's Rules, registration of the investment adviser's agents would not be required notwithstanding the fact that the investment adviser itself was registered.

I trust this answers your inquires. If I may provide further information, please feel free to write or call.

Very truly yours,

RICHARD D. LATHAM  
Securities Commissioner

Denise Voigt Crawford  
General Counsel

DVC:bp