

DEMISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



DUNCAN E. BOECKMAN  
CHAIRMAN

JOHN R. MORGAN  
DEPUTY SECURITIES COMMISSIONER

T. DEON WARNER  
MEMBER

MAIL: P.O. BOX 13187  
AUSTIN, TEXAS 78711-3187

## State Securities Board

200 E. 10th Street, 5th Floor  
Austin, Texas 78701  
Phone (512) 306-8300  
FAX (512) 306-8310

DAN R. WALLER  
MEMBER

June 21, 1994

Ms. Victoria C. Phelps  
Latham & Watkins  
633 West Fifth Street, Suite 4000  
Los Angeles, California 90071-2007

Re: The Presley Companies  
Senior Notes due 2004

Dear Ms. Phelps:

This is in response to your letter dated May 24, 1994, and received by this Agency on May 26, 1994.

Your letter and supplemental materials indicate that The Presley Companies, a Delaware corporation (the "Issuer") will issue Senior Notes due 2004 (the "Notes"). The Notes will be unconditionally guaranteed by The Presley Companies, a California corporation and a wholly-owned subsidiary of the Issuer (the "Subsidiary Guarantee"). The Subsidiary Guarantee may not be offered or sold separately from the Notes and no separate consideration will be required to receive the Subsidiary Guarantee.

You have represented that the Issuer's common stock is listed on the New York Stock Exchange. You have opined, and, based on the foregoing understanding, the staff of the State Securities Board agrees, that the Notes will be eligible for the exemption provided by Section 6.F of the Texas Securities Act.

You have also requested that the staff of the State Securities Board recommend no action to require registration of the Subsidiary Guarantee as a separate security. Based on the materials you have submitted, the staff of the State Securities Board will recommend no action to require registration of the Subsidiary Guarantee.

Please note that this Agency has not made an independent investigation of the facts, but has relied solely on 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.

Ms. Victoria C. Phelps  
June 21, 1994  
Page 2

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

Very truly yours,

DENISE VOIGT CRAWFORD  
Securities Commissioner

Rada Lynn Potts  
General Counsel

RLP/MS