



State of Utah

DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES

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September 25, 1996

Mr. David M. Connors
LeBoeuf, Lamb, Greene & MacRae, LLP
1000 Kearns Building
136 South Main Street
Salt Lake City, UT 84101

Re: Lloyd's, aka Lloyd's of London, aka Council of Lloyd's, fka Committee of Lloyd's, aka The Society of Lloyd's, aka The Corporation of Lloyd's
File # A56585-49
Request of No-Action Letter

Dear Mr. Connors:

This letter is in response to your letter dated September 17, 1996, wherein you request that the Utah Division of Securities ("Division") issue a No-Action Letter regarding continued underwriting at Lloyd's for the 1997 year of account by Mr. Frank Suitter.

Based on the facts presented in your letter, the staff of the Division will not recommend any enforcement or administrative action should Mr. Suitter continue underwriting at Lloyd's for the 1997 year of account.

This response does not express any legal conclusions regarding the applicability of statutory or regulatory provisions of federal or state securities laws to the questions presented. It merely expresses the position of Division staff on enforcement or other administrative actions.

Inasmuch as the recommendation is based upon the representations made to the Division, it should be noted that any different facts or conditions of a material nature might require a different conclusion. Furthermore, this no-action letter relates only to the referenced issuer, securities and investor and shall have no value for future similar offerings and does not absolve any party involved from complying with the anti-fraud provisions contained in § 61-1-1 of the Act.

Very truly yours,

UTAH DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES

S. Anthony Taggart
Director of Corporate Finance

cc: Mark J. Griffin, Director



LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

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WRITER'S DIRECT DIAL:

September 17, 1996

NEW YORK
WASHINGTON
ALBANY
BOSTON
DENVER
HARRISBURG
HARTFORD
JACKSONVILLE

MOSCOW
ALMATY
LONDON
(A LONDON-BASED
MULTINATIONAL PARTNERSHIP)

Mark J. Griffin
Director, Securities Division
State of Utah
160 East 300 South, #146760
Salt Lake City, Utah 84114-6760

Re: No Action Letter for 1997 Underwriting

Dear Mark:

As we have briefly discussed in the past, Mr. Frank Switter is the only active Lloyd's Name in Utah. We have been informed by Mr. Switter that he would like to continue underwriting at Lloyd's for the 1997 year of account. Previously, Mr. Switter had written to your office indicating his desire to continue underwriting at Lloyd's and his desire to be excluded from the scope of your legal action against Lloyd's.

Now that the litigation matter is resolved, we are submitting herewith a "Form of Order/No-Action Letter" that has been submitted and acted upon in most other states. We have adapted the form to reflect the circumstances in Utah. In submitting this request, we certainly do not concede that a "security" of any kind is involved; that Lloyd's is the "issuer" of any security; that Lloyd's transacts any business in Utah; or that the Securities Division has any regulatory authority over Lloyd's. As a courtesy to Mr. Switter, and in light of the allegations made in your lawsuit, we simply ask that a no-action order or letter be issued so that Mr. Switter will not be prevented from underwriting at Lloyd's for the 1997 year of account.

If you have any questions, please give me a call.

Very truly yours,


David M. Connors

DMC:mo

Enclosure

cc: Francis H. Switter
William C. Marcoux
Evan Falchuk

Form of Order/"No-Action" Letter

The State of Utah is a signatory to the State Agreement dated as of July 11, 1996 with the Society incorporated by Lloyd's Act 1871 by the name of Lloyd's ("Lloyd's"). Article 5(B)(b) of the State Agreement allows existing members of Lloyd's ("Names") who are residents of the State of Utah to participate in 1996 capacity auctions for syndicate participations in order to underwrite insurance on those syndicates in the 1997 year of account as well as to dispose of syndicate positions. However, pursuant to Article 5(B), the actual underwriting of insurance in the Lloyd's market in 1997 and subsequent years of account, and participation in capacity auctions in 1997 (to underwrite in the 1998 year of account) and subsequent years, by Names resident in this state, is to take place "pursuant to procedures as may be agreed upon with each State Securities Regulator or as set forth in the applicable laws and regulations of such States".

We understand that only one Utah Name is underwriting insurance on syndicates at Lloyd's for the 1996 year of account and that Name has indicated his desire to be afforded the opportunity to underwrite on syndicates for the 1997 year of account. He may also wish to participate in capacity auctions, either as a buyer or seller, that allocate rights to participate on particular syndicates.

We further understand that Names should have given notice not later than August 31, 1996 if they did not wish to underwrite in the 1997 year of account on syndicates on which they have underwritten in 1996 (and failing to give such notice will be placed on those same syndicates for the 1997 year of account), and Names subsequently will need to confirm whether they wish to underwrite on new syndicates (whether pursuant to a right that they have purchased in the 1996 capacity auctions or otherwise). In some instances, Names may also wish to change the Members' Agent who will represent them in connection with their underwriting for the 1997 year of account.

This is to confirm that we will forbear from asserting any violation of securities or related state laws, and will not take any enforcement action against Lloyd's or any Members' Agent, Managing Agent, or other person associated with the Lloyd's market, if existing Names resident in Utah, whether represented by their existing or a new Members' Agent, are permitted to participate in the 1996 capacity auctions, or join or remain on syndicates in the Lloyd's market for the 1997 year of account and to underwrite insurance on those syndicates.

Participation of Names in the 1997 auctions and on syndicates for the 1998 year of account will remain subject to compliance with the provisions of Article 5(B) of the State Agreement, and nothing herein is intended to prejudice the position of either the State of Utah or Lloyd's with respect to such participation.