



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

DIVISION OF
INVESTMENT MANAGEMENT

ACT IAA of 1940
SECTION 202(a)(11)
RULE _____
PUBLIC AVAILABILITY July 17, 1995

July 17, 1995

Gilbert G. Beezley
228 South A Street, Suite 1
Post Office Box 645
Oxnard, CA 93032

Dear Mr. Beezley:

Your letter to Chairman Levitt has been referred to the Division of Investment Management for response. In your letter, you request registration material regarding your services as a "Russian Stocks Advisor," and inquire whether an investment fund for Russian stocks would be required to be registered with the Commission. You also request information about Russian companies that have filed applications regarding American Depository Receipts ("ADR's").

It appears that your services as a Russian Stocks Advisor may require you to register with the Commission as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"). Section 203(a) of the Advisers Act requires an investment adviser that makes use of the U.S. mails or any means or instrumentality of interstate commerce in connection with its business as an investment adviser to register with the Commission. Section 202(a)(11), in pertinent part, defines the term "investment adviser" to mean any person who, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who issues or promulgates analyses or reports concerning securities. For your information, I have enclosed an Investment Adviser Registration Package that includes the forms and their instructions. Also enclosed is a copy of a memorandum that explains the requirements imposed by the Advisers Act and the rules thereunder.

The proposed investment fund for Russian stocks may be an investment company subject to regulation under the Investment Company Act of 1940 (the "1940 Act").¹ An investment company

¹ Section 3(a)(1) of the Investment Company Act defines investment company as any "issuer which is or holds itself out as being primarily, or

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registers under the 1940 Act and, if it is making a public offering, registers its securities under the Securities Act of 1933, by filing a registration statement with the Commission. The registration statement includes the prospectus, which the fund must provide to all shareholders.

The 1940 Act requires that an investment company have at least \$100,000 in total assets before it can offer its securities to the public. An investment company also must have financial statements that are certified by an independent public accountant. The 1940 Act and the rules thereunder also, impose a number of substantive requirements including limitations on transactions between an investment company and its affiliates, restrictions on the ability to leverage its portfolio and requirements regarding the composition of a company's board of directors and the purchase and redemption of a company's shares. For your information, I have enclosed an Investment Company Registration Package.

Due to the complexity of investment company and investment adviser regulation, it is advisable to consult with an attorney familiar with this area before proceeding. In addition, you should contact the appropriate state authority (or authorities) to determine what, if any, state requirements may apply to your proposed activities.² For more information on forming an investment company, you may also wish to contact the Investment Company Institute, a group representing the investment company industry, at 1401 H Street, N.W., Washington, D.C. 20005-2148, (202) 326-5800.

¹(...continued)

proposes to engage primarily, in the business of investing, reinvesting, or trading in securities." Section 3(c)(1) of the Investment Company Act, however, excludes from the definition of investment company any issuer whose outstanding securities are beneficially owned by not more than 100 persons and which is not making and does not presently propose to make a public offering of its securities.

²

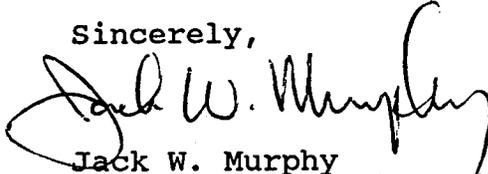
To obtain the names and addresses of state authorities, you may wish to contact the North American Securities Administrators Association, One Massachusetts Ave., N.W., Suite 310, Washington, D.C. 20001, (202) 737-0900.

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Finally, the Office of International Corporate Finance of the Division of Corporation Finance has informed us that, to date, no Russian companies have filed a Form F-6 registration statement to establish an ADR facility in the United States.

I hope this information is helpful. If we can be of further assistance, please contact this office at (202) 942-0659.

Sincerely,



Jack W. Murphy
Associate Director

enclosures

INTER
AGENTS
REALTORS
PROPERTY SALES
HOTEL/RESORTS
CONSULTANTS

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LEGAL-TEK
CALIFORNIA PARALEGALS
LEGAL ADMINISTRATORS

PERSONAL INJURY
REAL PROPERTY
AVIATION

FAX: (805) 487-2800

March 18, 1995

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RECEIVED
95 MAR 26 PM 11:15
OFFICE OF THE CHAIRMAN

Arthur Levitt, Chairman
U. S. SECURITIES & EXCHANGE COMMISSION
450 5th Street, N.W.
Washington, D. C. 20549 re: Russian Stocks

Dear Mr. Levitt,

Please provide the assistance of your office on my behalf for the following items of interest:

1. The enclosed flyer is to offer my services to portfolio managers who may have an interest in Russian Stocks. Would this require me to be licensed in any way with your Commission? If so, please provide the details, forms and instructions.
2. There may be some interest in forming an investment fund for Russian Stocks. This is a new concept, and may require some form of registration with your Commission. If so, please outline those requirements.
3. There are reports of Russian companies now applying for ADR's at your offices. Would it be possible to obtain copies of their applications, or requests or filings??

Thank you very much for your response to this request.

Sincerely,


Gilbert G. Beezley

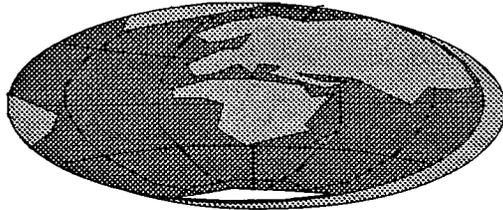
Encl:

RECEIVED

MAR 28 1995

SECURITIES & EXCHANGE COMMISSION
CONSUMER AFFAIRS BRANCH

MEMBER



THINKING AHEAD

RUSSIAN STOCKS ADVISOR

Gilbert G. Beezley has dedicated 40 years anticipating a new future for Russia. From 1954, as a Russian Language Specialist for the USAF; From 1958, three decades of business and financial services; affiliate of a major exporter to the Soviet Union; a recent traveler within the Soviet Union, and presently a member of the California Russia Trade Association in Los Angeles.

RUSSIAN STOCKS ADVISOR

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