

PUBLIC

SEP 26 1995

Our Ref. No. 94-644-CC
Thomson Advisory
Group L.P.
File No. 801-31227

RESPONSE OF THE OFFICE OF CHIEF COUNSEL
DIVISION OF INVESTMENT MANAGEMENT

In your letters dated September 7, 1994 and October 25, 1994, supported by a memorandum dated October 7, 1994, you request assurance that the staff would not recommend enforcement action to the Commission if, as more fully described in your letters and the memorandum, certain affiliates of Thomson Advisory Group L.P. ("TAG L.P."), a Delaware limited partnership that is registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"), do not register as investment advisers under Section 203 of the Advisers Act.

As more fully described in your letters and the memorandum, TAG L.P., and certain of its affiliates, and Pacific Financial Asset Management Corporation ("PFAMCo"), a California corporation that is a registered investment adviser, and certain of its affiliates, are consolidating their investment advisory businesses into a master limited partnership. 1/ Under this master limited partnership structure, TAG L.P. will change its name to PIMCO Advisors L.P.; and six "Operating Subpartnerships" will be established. PIMCO Advisors L.P. and each Operating Subpartnership will be registered as investment advisers under the Advisers Act and will have investment advisory businesses separate and apart from the advisory businesses of each other.

You state that, under this structure, PIMCO Partners, G.P. ("PIMCO GP") will be the sole general partner of PIMCO Advisors L.P. PIMCO GP will be a general partnership consisting of two partners: PIMCO Inc. and PIMCO Partners, L.P. ("PPLP"). PIMCO Partners Inc. will be the sole general partner of PPLP. PIMCO GP, PIMCO Inc., PPLP, and PIMCO Partners Inc. will not engage in any investment advisory activities separate or apart from the activities of PIMCO Advisors L.P.

In addition, you state that each Operating Subpartnership will be a general partnership. PIMCO Advisors L.P. will act as a general partner to and will serve as a "Supervisory Partner" for each Operating Subpartnership. A wholly owned corporate subsidiary of PIMCO Advisors L.P. will act as a general partner to and will serve as a "Managing Partner" for each Operating

1/ You state that the corporate and partnership structure of the consolidated group has been dictated in large part by tax considerations arising from its status as a master limited partnership, and the impact of this status on the tax posture of its unitholders.

Subpartnership. 2/ The Managing Partners will not engage in any investment advisory activities separate or apart from the activities of the Operating Subpartnerships.

You represent that all of the consolidated group's advisory activities will be conducted solely by registered entities, and all persons who will be engaged in advisory activities will be employees, officers and/or managing directors of a registered entity. You therefore believe that PIMCO GP, PIMCO Inc., PPLP, PIMCO Partners Inc. and the Managing Partners should not be required to register separately under the Advisers Act. (PIMCO GP, PIMCO Inc., PPLP, PIMCO Partners Inc. and the Managing Partners are hereinafter referred to as the "Requesting Parties." PIMCO Advisors L.P. and the Operating Subpartnerships are hereinafter referred to as "Adviser Partnerships.")

Background

Section 203(a) of the Advisers Act requires any investment adviser that uses the United States mails or any other means or instrumentality of interstate commerce in connection with its business as an investment adviser to register with the Commission, unless the adviser is exempt from registration. Section 208(d) of the Advisers Act provides that it shall be unlawful for any person indirectly, or through or by any other person, to do any act or thing that it would be unlawful for such person to do directly under the Advisers Act.

In the past, the Commission has expressed concern about structural arrangements in which a registered investment adviser is merely a conduit for advisory services provided by personnel of an unregistered affiliate. 3/ Such arrangements raise the question of whether the unregistered entity is engaging indirectly in activities that would require it to register if engaged in directly, in violation of Section 208(d). Moreover, these arrangements make it difficult for the Commission to police conduct that may harm clients of the registered adviser. For example, an unregistered entity could shield its own advisory activities and employees from scrutiny under the Advisers Act and engage undetected in activities that could adversely affect clients of the registered entity.

2/ You state that, in addition to these general partners, one of the Operating Subpartnerships also will have a limited partner organized as a limited partnership, the general partner of which will be PFAMCo or a wholly owned subsidiary of PFAMCo.

3/ See Investment Advisers Act Release No. 353 (Dec. 18, 1972), 38 FR 1649 (proposing Rule 202-1 under the Advisers Act).

On the other hand, the Commission has recognized that there often are valid business reasons for a company to form a separate registered entity. In 1972, the Commission proposed Rule 202-1, which would have exempted affiliates of a registered adviser from registration under the Advisers Act when the registrant met certain conditions designed to ensure that the registered adviser was operated separately from and independently of its unregistered affiliates: 4/ The proposal reflected the view that if an unregistered affiliate is operated separately, the registered adviser would be unable to use the affiliate to conduct advisory activities that should be subject to regulation under the Advisers Act.

Although the Commission never adopted Rule 202-1, 5/ the Division of Investment Management has looked to the conditions of the proposed rule in evaluating no-action requests on the issue of registration under the Advisers Act made by affiliates of a registered adviser. In Richard Ellis (pub. avail. Sept. 17, 1981), for example, the Division confirmed that it would not recommend that the Commission take enforcement action against the foreign parent company of a registered adviser that did not itself register under the Advisers Act if the registered adviser was separate and independent of the parent. In taking the position that the subsidiary was sufficiently separate and independent to make the registration of the parent company unnecessary, the parent company stated that it would comply with conditions substantially similar to those included in proposed Rule 202-1. 6/ U.S. affiliates of registered advisers have

4/ Id. Under the proposed rule, a registered entity would have been deemed separate from its unregistered affiliate if the registrant met the following conditions: (1) it had a majority of directors that was independent of the controlling entity or its affiliate; (2) it was adequately capitalized; (3) its officers were independent of the controlling entity or its affiliate; (4) its advisory representatives were independent of the controlling entity or its affiliate, and made recommendations independent from such persons; and (5) it did not use advice from the controlling entity or its affiliate other than statistical and factual information.

5/ The rule proposal was withdrawn in Investment Advisers Act Rel. No. 497 (Feb. 19, 1976), 41 FR 8498.

6/ The Division has since developed an alternative approach to the regulation of foreign advisers to allow them greater flexibility than permitted under Ellis in organizing U.S.-registered subsidiaries. See, e.g., Murray Johnstone Holdings Limited (pub. avail. Oct. 7, 1994); Mercury Asset
(continued...)

agreed to similar conditions when seeking confirmation that the Division would not recommend that the Commission take enforcement action if the affiliates do not register under the Advisers Act. 7/

Analysis

You believe that the concerns underlying the conditions of proposed Rule 202-1 and Ellis are not presented when an unregistered affiliate of a registered adviser does not engage in advisory activities; 8/ and, to the extent its employees are involved in or have access to the registrant's advisory business, they are deemed "associated persons" of the registrant. 9/ You assert that, under these circumstances, no advisory activities take place outside of the Commission's jurisdiction and, for that reason, there is no concern that an unregistered affiliate would be engaging in activities that would (1) require it to register under the Advisers Act, or (2) adversely affect the registrant's

6/ (...continued)

Management plc (pub. avail. Apr. 16, 1993); Uniao de Bancos de Brasileiros S.A. (pub. avail. July 28, 1992). Foreign advisers may organize their operations in reliance on either Ellis or this alternative approach, based on their business needs.

7/ See Sentinel Real Estate Corp. (pub. avail. Nov. 22, 1988); United Asset Management (pub. avail. Nov. 2, 1981).

8/ You represent that the Requesting Parties do not conduct investment advisory activities apart from the performance of their duties as general partners to (1) their respective Adviser Partnerships, (2) the general partners to the respective Adviser Partnerships, or (3) the general partners to the general partners to the respective Adviser Partnerships, as the case may be.

9/ Section 202(a)(17) of the Advisers Act defines a "person associated with an investment adviser" as including a partner, officer, or director of the adviser (or any person performing similar functions), or any person directly or indirectly controlling or controlled by the adviser, including the adviser's employees. Under some circumstances, the term may include independent contractors. See Corinne E. Wood (pub. avail. Apr. 17, 1986). A registered adviser is obligated reasonably to supervise the activities of its associated persons. See, e.g., Sections 203(e)(5) and 204A of the Advisers Act.

advisory clients. 10/ Accordingly, you believe that a registrant's domestic affiliates not engaged in advisory activities should not be required to register separately under the Advisers Act, notwithstanding that they are not operated in accordance with the Ellis conditions. Under your proposal, the Commission would have access to personal securities transaction records of each affiliate and each employee of an affiliate involved in or having access to the registrant's advisory activities, to the extent necessary to monitor conduct that may harm the registrant's clients.

In connection with their request, the parties make the following representations:

Each Adviser Partnership represents that:

1. it will deem as an "associated person" each Requesting Party and each employee of a Requesting Party having access to the investment recommendations of the Adviser Partnership or information concerning the recommendations prior to the effective dissemination of the recommendations; 11/ and
2. pursuant to Rule 204-2(a)(12) under the Advisers Act, it will obtain and maintain on-site personal securities transaction records for each of its "advisory representatives." 12/

Each Requesting Party represents that:

- A. it will not conduct investment advisory activities outside of the scope of its activities as a general partner to (1) its respective Adviser Partnership, (2) the general partner to the respective Adviser Partnership, or (3) the general partner

10/ This situation is distinguishable from that of a foreign adviser establishing a U.S. advisory affiliate. A foreign adviser engages in advisory activities apart from those of the registered domestic affiliate, but these activities take place outside of the Commission's jurisdiction.

11/ Telephone conversation between John V. O'Hanlon and Robert W. Helm on September 18, 1995.

12/ Rule 204-2(a)(12) defines an advisory representative as including, among others, any partner, officer or director of the adviser, and certain employees and certain other persons who obtain information concerning securities recommendations made by the adviser prior to the effective dissemination of the recommendations. We note that all persons deemed to be associated persons of an Adviser Partnership under the representation in Paragraph 1 above also will be advisory representatives of the Adviser Partnership.

to the general partner to the respective Adviser Partnerships, as the case may be, or advise clients separately in reliance on Section 203(b) of the Advisers Act. 13/

B. each individual who, as officer, director, partner or employee of a Requesting Party (other than an individual whose duties are solely of a ministerial or clerical nature and who is not involved in the investment process and does not have access to the investment decisions or recommendations of the Adviser Partnership) engages in the business or affairs of an Adviser Partnership will do so subject to the supervision, direction and control of that Adviser Partnership to the same extent as would be required under the Advisers Act if such individual engaged therein as an individual general partner, officer or employee of that Adviser Partnership;

C. each individual identified in Paragraph B above will be identified in the Form ADV of its respective Adviser Partnership to the same extent as would be required under the Advisers Act if such individual was an individual general partner, officer or employee of that Adviser Partnership;

D. each individual identified in Paragraph B above will be subject to the conflict of interest, insider trading and personal securities transaction reporting requirements of the Adviser Partnership to the same extent as would be required under the Advisers Act if such individual was an individual general partner, officer or employee of that Adviser Partnership; and

E. it will provide the Commission staff with access to its books and records, and will instruct each individual identified in Paragraph B above to cooperate fully with the Commission staff. 14/ The Requesting Party's books and records will be maintained at the site of the Requesting Party's respective

13/ Telephone conversation between John V. O'Hanlon and Robert D. Guidon on September 20, 1995.

14/ Telephone conversation between John V. O'Hanlon and Robert D. Guidon on September 22, 1995. Because the only business of each Requesting Party is to manage its respective Adviser Partnership, most, if not all, of each Requesting Party's books and records will relate to its Adviser Partnership. In contrast, when an unregistered affiliate of a registered adviser is engaged in some other business, the Commission staff would need access only to those books and records regarding transactions relating to the business of the registered adviser, if any such transactions occur.

Adviser Partnership, or will promptly be produced to the Commission upon request. 15/

We believe that the concerns underlying the conditions of proposed Rule 202-1 and Ellis, and Section 208(d) of the Advisers Act, are adequately addressed when (i) the unregistered affiliate of a registered adviser does not provide investment advice; (ii) the unregistered affiliate and each of its employees are deemed "associated persons" of the registrant when they have access to the investment recommendations of the registered adviser or information concerning the recommendations prior to the effective dissemination of the recommendations; and (iii) the Commission has access to the unregistered affiliates' books and records to the extent necessary to examine the business of the registered adviser.

Accordingly, on the basis of the facts and representations in your letters and the supporting memorandum, we would not recommend that the Commission take any enforcement action under Sections 203 and 208 of the Advisers Act if the Requesting Parties do not register under the Advisers Act. Different facts or representations may require a different conclusion.

Alison Baur
Alison E. Baur
Senior Counsel

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15/ Telephone conversation between John V. O'Hanlon and Robert W. Helm on September 18, 1995.

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September 7, 1994

ACT IAA
SECTION 203
RULE _____
PUBLIC AVAILABILITY 9-26-95

Dorothy M. Donohue, Esq.
Assistant Chief Counsel
Division of Investment Management
United States Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: Thomson Advisory Group L.P. and Affiliates

Dear Ms. Donohue:

As counsel for Thomson Advisory Group L.P. ("TAG L.P."), and on behalf of TAG L.P. and certain of its present and future affiliates identified below, we are writing to request written confirmation from the Staff of the Securities and Exchange Commission (the "Commission") that the Staff will not recommend that the Commission take any enforcement action against TAG L.P. or any of its affiliates if they proceed in the manner described below without certain of TAG L.P.'s general partners and certain of the general partners of various of TAG L.P.'s general partners and investment adviser affiliates registering as investment advisers under Section 203 of the Investment Advisers Act of 1940 (the "Act"). Enclosed are seven (7) additional copies of this request letter.

BACKGROUND

TAG L.P. is a Delaware limited partnership organized in 1987 and registered as an investment adviser under the Act. TAG L.P. provides investment management and advisory services to private accounts of institutional and individual clients and to mutual funds. It serves as investment adviser to institutional and individual clients through its Columbus Circle Investors ("CCI") division. It also serves as investment manager for 12 mutual funds included within two open-end investment companies, the Thomson Fund Group and Cash Accumulation Trust (collectively, the "Thomson Funds").

At present, Thomson Advisory Group Inc. ("TAG Inc.") is the sole general partner of TAG L.P. and is also registered as an

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investment adviser under the Act. A portion of the limited partnership interests of TAG L.P. is owned by the public and traded on the New York Stock Exchange. Thomson Investor Services Inc. ("TISI"), a broker-dealer registered with the Commission under Section 15 of the Securities Exchange Act of 1934 (the "Exchange Act") and a subsidiary of TAG Inc., serves as the distributor for the Thomson Funds.

Pacific Financial Asset Management Corporation ("PFAMCo") is a California corporation and a wholly-owned, indirect subsidiary of Pacific Mutual Life Insurance Company ("Pacific Mutual"), a California mutual life insurance company. Pacific Investment Management Company ("PIMCO Inc."), Cadence Capital Management Corporation ("Cadence"), NFJ Investment Group, Inc. ("NFJ"), Parametric Portfolio Associates, Inc. ("Parametric") and Blairlogie Capital Management Limited ("Blairlogie") are subsidiaries of PFAMCo. (Cadence, Parametric, NFJ and Blairlogie are sometimes referred to collectively herein as the "PFAMCo Management Companies".) PFAMCo, PIMCO Inc. and the PFAMCo Management Companies offer investment management services across a range of asset classes and investment disciplines. Their clients include institutional investors and high net worth individuals. PFAMCo, PIMCO Inc. and the PFAMCo Management Companies also advise mutual funds sponsored by PFAMCo (the "PFAMCo Funds"), by PIMCO Inc. (the "PIMCO Funds") and other affiliated and unaffiliated entities. PFAMCo, PIMCO Inc. and each of the PFAMCo Management Companies is registered as an investment adviser under the Act.

THE CONSOLIDATION

TAG L.P., TAG Inc., PFAMCo, PIMCO Inc. and the PFAMCo Management Companies, and PIMCO Partners, G.P. ("PIMCO GP"), PIMCO Partners, L.P. ("PPLP"), the present Managing Directors of PIMCO Inc. and certain stockholders of TAG Inc. have entered into an Agreement and Plan of Consolidation for PIMCO Advisors L.P., effective as of July 11, 1994 (the "Consolidation Agreement"). Insofar as relevant to this request, the following changes will result from the Consolidation: (1) the principal businesses of PFAMCo and the businesses of PIMCO Inc., Cadence, NFJ, Parametric and Blairlogie will be contributed to TAG L.P. in exchange for the issuance of units of TAG L.P.; (2) TAG L.P. will change its name to "PIMCO Advisors L.P."; (3) TAG Inc. will withdraw as a general partner and PIMCO GP will become the sole general partner of "PIMCO Advisors L.P."; (4) "PIMCO Advisors L.P." will transfer the businesses formerly conducted by PIMCO Inc., Cadence, NFJ, Parametric, Blairlogie and the CCI division of TAG L.P. to corresponding "Operating Subpartnerships"; and (5) the combined businesses will be conducted in the following ways: (i) PIMCO Advisors L.P. will continue to perform directly the

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administrative, accounting and legal functions and the existing mutual fund business (including acting as the manager of the Thomson Funds) formerly conducted by it as TAG L.P.; (ii) PIMCO Advisors L.P. will perform directly certain mutual fund businesses formerly conducted by PFAMCO; (iii) the investment management businesses formerly conducted by PIMCO Inc., Cadence, NFJ, Parametric, Blairlogie and the CCI division will be conducted through six new Operating Subpartnerships, and (iv) the mutual fund distribution business of TISI will continue to be conducted by TISI, but as a subsidiary of PIMCO Advisors L.P.

ORGANIZATION OF INVESTMENT ADVISERS AFTER THE CONSOLIDATION

Thus, as indicated above, the investment advisory businesses of the consolidated group will be conducted by PIMCO Advisors L.P. (formerly, TAG L.P.) and its six Operating Subpartnerships.

PIMCO Advisors L.P. PIMCO Advisors L.P. will have an investment advisory business separate and apart from the investment advisory businesses of its Operating Subpartnerships; it will act as investment manager for various mutual funds after the consolidation. PIMCO Advisors L.P. will continue to be registered as an investment adviser under the Act. PIMCO GP will be the sole general partner of PIMCO Advisors L.P. PIMCO GP will be a general partnership consisting of two partners: (1) PIMCO Inc., a subsidiary of PFAMCO and an indirect, wholly-owned subsidiary of Pacific Mutual Life Insurance Company; and (2) PPLP, a limited partnership the sole general partner of which will be PIMCO Partners Inc. Although PIMCO Advisors L.P. will separately engage in business as an investment adviser, neither PIMCO GP, its general partners or the general partner or parent corporation of its general partners will engage in any investment adviser activities separate or apart from the activities of PIMCO Advisors L.P.

Operating Subpartnerships. Each of the six new Operating Subpartnerships will have an investment advisory business separate and apart from the investment advisory businesses of PIMCO Advisors L.P. and the other Operating Subpartnerships. Each Operating Subpartnership will be registered as an investment adviser under the Act. Each Operating Subpartnership will be organized as a partnership. Except for Blairlogie, each operating Subpartnership will be a general partnership having two partners: (1) one of the general partners will be PIMCO Advisors L.P. which will serve as the "Supervisory Partner," and (2) the other general partner will be wholly-owned corporate subsidiary of PIMCO Advisors L.P. which will serve as the "Managing Partner." The Blairlogie Subpartnership will be a limited partnership with two general partners and one limited partner: as with the other Operating Subpartnerships, (1) one of the general

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partners will be PIMCO Advisors L.P. which will serve as the "Supervisory Partner;" (2) the other general partner will be wholly-owned corporate subsidiary of PIMCO Advisors L.P. which will serve as the "Managing Partner;" and (3) the limited partner will be a limited partnership the general partner of which will be PFAMCO or a wholly-owned subsidiary of PFAMCO and the limited partners of which will be the current managing directors of Blairlogie. As indicated above, the "Supervisory Partner" (PIMCO Advisors L.P.) of each Operating Subpartnership will also be registered as an investment adviser under the Act in connection with its separate business as an investment adviser. The respective "Managing Partners" of each Operating Subpartnership will not engage in any investment adviser activities separate or apart from the activities of the Operating Subpartnership.

Attached as Appendix A is an organization chart reflecting the general partners of the various partnerships in the combined group. (For the purposes of simplifying the chart, investment interests have been omitted.)

MANAGEMENT OF INVESTMENT ADVISERS AFTER THE CONSOLIDATION

PIMCO Advisors L.P. Following the consolidation, PIMCO GP will exercise its powers as the sole general partner of PIMCO Advisors L.P. through, and will delegate substantially all of its powers to, a 12-member "Operating Board" which will be composed of management representatives of PIMCO Advisors L.P. and the Operating Subpartnerships. The Operating Board will possess all governance authority not reserved to the various Operating Subpartnerships, subject to the power of an "Equity Board" to review and approve certain material, extraordinary transactions such as issuing securities or incurring certain indebtedness. The Operating Board will delegate day-to-day operational issues to an "Operating Committee" which will be composed of the chief executive officers of PIMCO Advisors L.P., the PIMCO Subpartnership and the CCI Subpartnership. The Equity Board will include certain representatives of PIMCO Advisors L.P. and the Operating Subpartnerships as well as disinterested directors, representatives of PFAMCO and representatives of certain investors.

The Operating Subpartnerships. Following the consolidation, the day-to-day management of the business of each Operating Subpartnership will be conducted by the Managing Directors of its Managing Partner.

REGISTRATION UNDER THE ACT

As indicated above, PIMCO Advisors L.P. and each of the Operating Subpartnerships will be registered as an investment

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adviser under the Act. PIMCO GP (the sole general partner of PIMCO Advisors L.P.), PIMCO Inc. and PPLP (the sole general partners of PIMCO GP) and PIMCO Partners Inc. (the sole general partner of PPLP) are not planning on registering as investment advisers under the Act. TAG Inc. is planning on discontinuing its registration as an investment adviser under the Act. Similarly, while it is intended that each of the Operating Subpartnerships will be registered as investment advisers under the Act, each of the Managing Partners of the Operating Subpartnerships is not planning on registering as an investment adviser under the Act.

DISCUSSION

We believe that PIMCO GP, PIMCO Inc., PPLP and PIMCO Partners Inc. should not be required to separately register under the Act solely for the purpose of engaging through PIMCO Advisors L.P. in the advisory business of PIMCO Advisors L.P. Similarly, we believe that the Managing Partners of the Operating Subpartnerships should not be required to separately register under the Act solely for the purpose of engaging through their respective Operating Subpartnerships in the advisory business of the Operating Subpartnership. (PIMCO GP, PIMCO Inc., PPLP, PIMCO Partners Inc. and the Managing Partners of the Operating Subpartnerships are hereinafter sometimes referred to as the "Requesting Parties"; and PIMCO Advisors L.P. and the Operating Subpartnerships are sometimes hereinafter referred to as the "Adviser Partnerships.")

Each of the Requesting Parties is a "person associated with an investment adviser" and, thus, is not required to be separately registered. Under Section 203(a) of the Act, each "investment adviser" is required to register with the Commission. The term "investment adviser" is defined in Section 202(a)(11) to mean "any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities. . . ." The Commission and its staff have on numerous occasions confirmed the view that a "person associated with an investment adviser," as that term is defined in Section 202(a)(17), will not be required to be separately registered as an adviser with respect to the activities undertaken on behalf of the adviser in the person's capacity as an associated person. See, e.g., Investment Advisers Act Release No. 615 (February 2, 1978) (" . . . a solicitor who engages in solicitation activities in accordance with the provisions of . . . [Rule 206(4)-3] will be, at least with respect to these activities, an associated person of an investment adviser and therefore would not be required to register under the Act individually solely as a result of these

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activities."); Moneta Group Investment Advisors, Inc. (No Action Letter; p.a.d. October 12, 1993); G. Serafini Investment Consultants, Inc. (No Action Letter; p.a.d. November 27, 1976). The term "person associated with an investment adviser" is defined to mean "any partner, officer, or director of such investment adviser (or any person performing similar functions), or any person directly or indirectly controlling or controlled by such investment adviser, including any employee of such investment adviser, . . .". Thus, to the extent that one of the Requesting Parties engages in the business of one of the Adviser Partnerships of which it is a general partner, it would be within the definition of the term "person associated with an investment adviser." Furthermore, to the extent that one of the Requesting Parties engages in the business of one of the Adviser Partnerships with respect to which it is a general partner of a general partner, it would appear to be a "person performing similar functions" as a partner and, thus, within the definition of the term "person associated with an investment adviser."

In the past, the Staff has expressed concerns with the extent to which persons engaging in the business of a registered entity are subject to the supervision, direction and control of the entity. See, e.g., Connecticut Investment Management Inc. (No Action Letter; p.a.d. February 11, 1977). In this regard, each of the Requesting Parties represents that (1) each of the Requesting Parties will not hold itself out as providing investment advice separate or apart from its Adviser Partnership; and (2) each individual (including the members of the Operating Board and Operating Committee of PIMCO Advisors L.P. and the Managing Directors with respect to each Operating Subsidiary) who represents a Requesting Party as an officer, director, partner or employee (other than one whose duties are solely of a ministerial or clerical nature and who is not involved in the investment process and does not have access to the investment decisions or recommendations of the Adviser Partnership) of the Requesting Party in engaging in the business or affairs of its Adviser Partnership will (i) do so subject to the supervision, direction and control of that Adviser Partnership to the same extent as would be required under the Act and the regulations and forms adopted thereunder if such individual engaged therein as an individual general partner, officer or employee of that Adviser Partnership; (ii) will be identified in the Form ADV of that Adviser Partnership to the same extent as would be required under the Act and the regulations and forms adopted thereunder if such individual engaged therein as an individual general partner, officer or employee of that Adviser Partnership; and (iii) will be subject to the conflict of interest, insider trading and personal securities transaction reporting requirements of the Adviser Partnership to the same extent as would be required under the Act and the regulations and forms adopted thereunder if such

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individual engaged therein as an individual general partner, officer or employee of that Adviser Partnership.

To not require separate registration of the Requesting Parties would be consistent with the public interest without compromising investor protection. The public interest is certainly served by the avoidance of unnecessary duplication of registration, disclosure, reporting and other regulatory requirements. The Requesting Parties believe that unnecessary confusion will result if, for example, a separate "brochure" (e.g., Part II of Form ADV) of each Managing Partner is required to accompany the brochure of the Operating Subpartnership. Clients may become confused as to which entity is their investment adviser. Contractual requirements may further confuse clients if the Requesting Parties are required to be registered. For example, it might be argued that the Requesting Party would have to be a party to each client contract in its own behalf in order to satisfy various requirements such as those imposed by Section 205 of the Act and Rule 206(3)-2 under the Act. Record-keeping requirements would be duplicative if each Requesting Party were treated as a separate registrant and thus required to separately comply with the provisions of Rule 204-2.

The avoidance of such unnecessary duplication is also an enormous factor at the state level since many state securities laws ("blue sky" laws) are required to be interpreted in a manner consistent with the ". . . related federal regulation." See, e.g., the Massachusetts Uniform Securities Act, §415 (M.G.L.A. c. 110A, §415). Several of the Operating Subpartnerships are or will be registered in the majority of states. If the Requesting Parties are required to be separately registered at the federal level, it is likely that applicable Blue Sky laws will be interpreted to require registration and the resulting costs and duplicative regulatory burden would be enormous.

Investor protection will not be compromised if the Requesting Parties do not register separately. As indicated above, each individual who represents a Requesting Party as an officer, director, partner or employee (other than certain ministerial or clerical employees) will be supervised by the respective Adviser Partnership to the same extent as would be required under the Act and the regulations and forms adopted thereunder if such individual engaged therein as an individual general partner, officer or employee of that Adviser Partnership. Furthermore, since each of the Requesting Parties is a general partner of an Adviser Partnership, the financial responsibility of each registered entity with which a particular client has a relationship will be no less than if the respective Requesting Party were also required to be registered and to enter into a direct client relationship with that particular client.

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Although there do not appear to be any no-action or interpretative letters from the Staff directly in point, there have been several no-action letters granting relief to broker-dealers seeking to introduce corporate general partners in place of the individual owners of the corporate entities. See, e.g., Grayson, Burger & Co. (No Action Letter; p.a.d. July 11, 1987); Montgomery Securities (No Action Letter; p.a.d. June 21, 1980); Boettcher & Co. (No Action Letter; p.a.d. January 18, 1980).

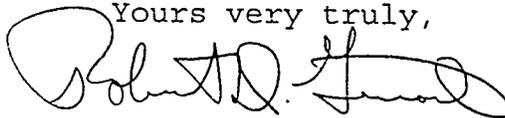
For the foregoing reasons, we believe that registration of the Requesting Parties under the Act is not and should not be required.

REQUESTED RELIEF

For the reasons stated above, we respectfully request, on behalf of the Requesting Parties (PIMCO GP, PIMCO Inc., PPLP, PIMCO Partners Inc. and the Managing Partners of the Operating Subpartnerships), that the Division of Investment Management confirm that it will not recommend enforcement action to the Commission under the Act if the Requesting Parties proceed to act as general partners (or general partners of, or general partners of general partners of, general partners) under the circumstances described above without separate registration of the Requesting Parties as investment advisers under the Act.

We would be pleased to meet with you to discuss this request, and we respectfully request the opportunity to do so if you have any questions. In the event that you find that for any reason you cannot issue the requested no-action letter on the basis of the matters described herein, we would appreciate the opportunity to discuss these matters with you or your colleagues personally before you formally respond to this request.

Yours very truly,



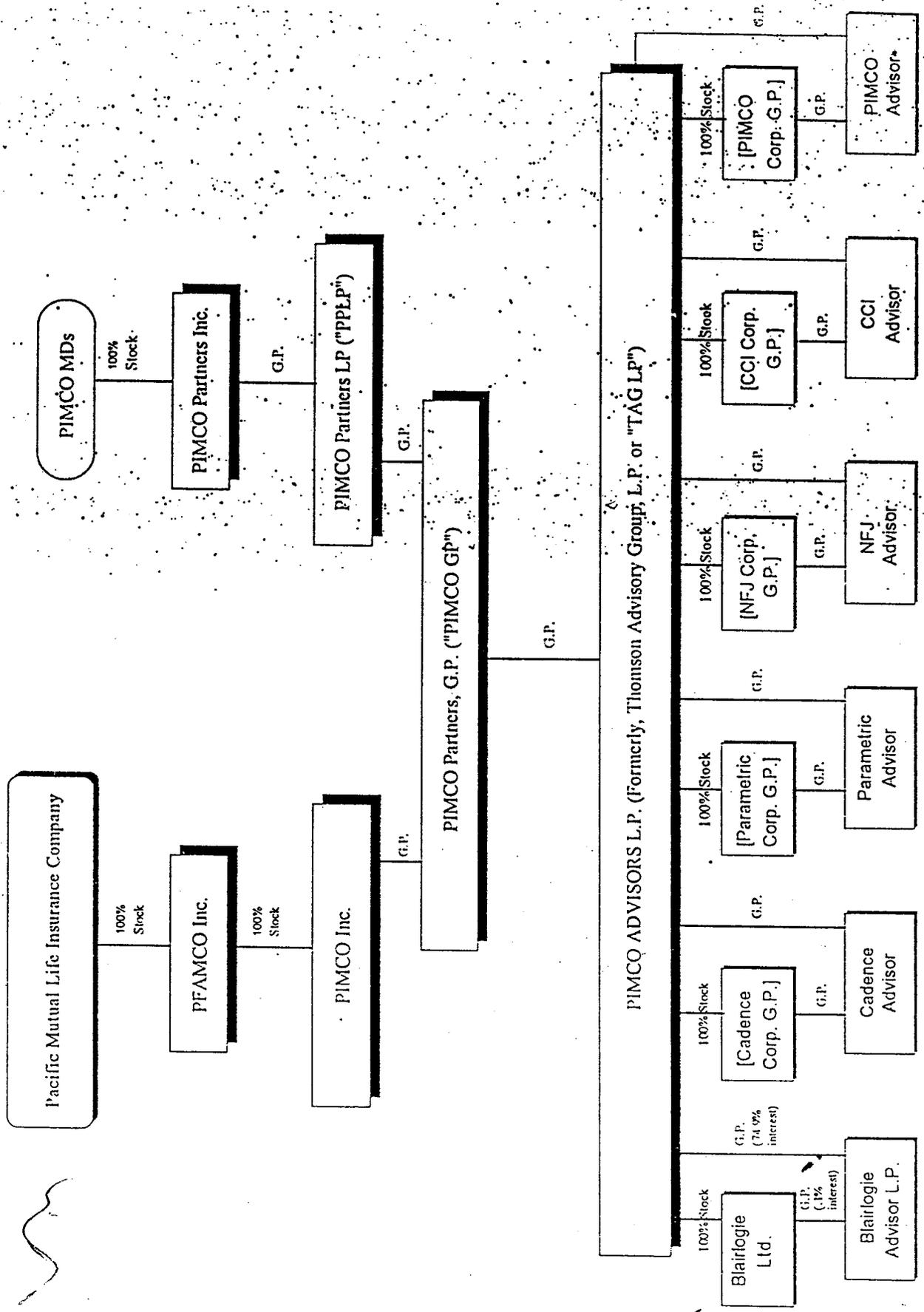
Robert D. Guidod

RDG/MM : RDGNOAC.TM

Enclosures

cc: Newton B. Schott, Esq.
 Martin E. Lybecker, Esq.

General Partners Their Parents



This chart does not reflect investment interests (i.e., limited partnership interests) in the several limited partnerships.

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M E M O R A N D U M

October 7, 1994

TO: Heidi Stam, Assistant Chief Counsel
John O'Hanlon, Special Counsel
Felice Foundos, Attorney
Division of Investment Management
Securities and Exchange Commission

FROM: Jeffery S. Puretz
Robert W. Helm
Larry B. Stoller *LS*

RE: Request for No-Action by Thomson Advisory Group L.P.
and Affiliates

Introduction

As counsel for Pacific Mutual Life Insurance Company and Pacific Financial Asset Management Corporation and certain affiliated entities, we are writing in support of the request for "no-action" submitted by Thomson Advisory Group L.P. ("TAG") and its affiliates to the staff on September 7, 1994, concerning issues raised under the Investment Advisers Act of 1940 (the "Advisers Act") in connection with a consolidation involving TAG and Pacific Financial Asset Management Corporation and its affiliates as described in the original letter and below. This also responds to Mr. O'Hanlon's request for additional information concerning the structure of the proposed investment advisory operations following the consolidation.

Description of the Consolidation Transaction

The consolidation transaction contemplates the consolidation of the investment advisory businesses currently carried on by subsidiaries of Pacific Financial Asset Management Corporation ("PFAMCo") with the investment advisory and mutual fund distribution activities currently carried on by TAG. As noted in the original submission, PFAMCo is currently a California corporation and an indirect wholly owned subsidiary of

Pacific Mutual Life Insurance Company ("Pacific Mutual"), and TAG is a publicly traded Delaware limited partnership whose units of limited partner interest are listed on the New York Stock Exchange. PFAMCo's investment advisory businesses are conducted primarily through its separate wholly owned subsidiaries, each of which is registered as an investment adviser with the Securities and Exchange Commission ("Commission"). These subsidiaries are: Pacific Investment Management Company ("PIMCO"); Parametric Portfolio Associates Inc. ("Parametric"); Cadence Capital Management Corporation ("Cadence"); NFJ Investment Group, Inc. ("NFJ"); and Blairlogie Capital Management Ltd. ("Blairlogie"). PFAMCo also performs investment advisory services and is itself registered as an investment adviser with the Commission. The investment advisory business of TAG is carried out primarily through its Columbus Circle Investors division ("CCI"), although TAG also performs investment advisory services in its own name. TAG is registered as an adviser with the Commission.

From a structural standpoint, the consolidation will be accomplished through several steps, including (1) the transfer of each of the PFAMCo investment advisory businesses (i.e., the advisory businesses of PFAMCo, PIMCO, Parametric, Cadence, NFJ, and Blairlogie) to TAG in return for units of partner interest of TAG, and the organization of each of PIMCO, Parametric, Cadence, NFJ and Blairlogie as a separate operating subsidiary partnership of TAG ("New PIMCO", "New Parametric", "New Cadence", "New NFJ", and "New Blairlogie"); and (2) the transfer of the investment advisory business of CCI to a separate operating subsidiary partnership of TAG ("New CCI"). The current investment advisory business of PFAMCo will be combined with that of TAG and carried on through TAG, which will be renamed PIMCO Advisors, L.P. ("PIMCO Advisors"). (Each of New PIMCO, New Parametric, New Cadence, New NFJ, New Blairlogie and New CCI is referred to as an "Advisory Subsidiary".) The consolidation contemplates the continuity of management and autonomy of each Advisory Subsidiary within the new structure so that, with respect to client relationships maintained by each adviser, the client will be assured that the consolidation will have no material adverse effect on the current management or operations of the Advisory Subsidiary and that the same persons who managed the client's account prior to the consolidation will continue to do so after the consolidation.

Each new Advisory Subsidiary (other than New Blairlogie) will be structured as a general partnership with two general partners, one of which will be PIMCO Advisors and one of which will be a corporation wholly owned by PIMCO Advisors.¹

¹ New Blairlogie will be a U.K. limited partnership with two general partners (PIMCO Advisors and a wholly owned (continued...))

Each corporate general partner will function as the technical vehicle through which the partnership is managed, i.e., the officers and directors of the general partner will exercise management functions with respect to the partnership. However, in each instance, governance of the Advisory Subsidiary will be delegated to a management board of the partnership under the terms of the pertinent partnership agreements. The directors and officers of the corporate general partner will each be individuals who currently serve in similar capacities with the Advisory Subsidiary and will occupy similar positions as employees of each such firm. A complete list of these individuals, and their current and future positions is attached as Exhibit A.

PIMCO Advisors itself will also be registered as an investment adviser with the Commission and will perform limited investment advisory services directly. Although management and control of PIMCO Advisors technically will reside in its general partner, PIMCO Partners G.P. (itself a general partnership between an entity controlled by Pacific Mutual, PIMCO, Inc., and an entity controlled by a group comprised of the current managing directors of PIMCO, PIMCO Partners L.P., the single general partner of which is PIMCO Partners Inc.), actual management responsibility for PIMCO Advisors will be delegated under the terms of its partnership agreement, as amended, to management boards comprised primarily of representatives of the Advisory Subsidiaries. These boards are (1) an Equity Board and (2) an Operating Board. The Operating Board will, in turn, delegate the day-to-day functions of operating the partnership to an Operating Committee, which will be comprised solely of persons associated with PIMCO Advisors and the Advisory Subsidiaries. The members of each board and committee of PIMCO Advisors and their present and future affiliations are outlined in Exhibit B.

¹(...continued)

corporate subsidiary of PIMCO Advisors, Blairlogie Holdings Ltd. (U.K.) and one limited partner, organized as a Delaware limited partnership, of which PFAMCO will be the general partner and the current managing directors of Blairlogie will be limited partners. References in this memorandum to the "corporate general partner" of an Advisory Subsidiary include the corporate general partner of New Blairlogie (Blairlogie Holdings Ltd. (U.K.)). As in the case of the other Advisory Subsidiaries, governance of New Blairlogie will be delegated to a management board of the partnership under the terms of its partnership agreement, comprised of the current managing directors of Blairlogie.

Pacific Mutual and PFAMCo join TAG in requesting that the staff agree to take "no-action" if each advisory firm described above (each Advisory Subsidiary and PIMCO Advisors) registers with the Commission as an investment adviser, but if each general partner of a registered investment adviser described above (other than PIMCO Advisors), PIMCO, Inc., PIMCO Partners L.P. and PIMCO Partners Inc., does not so register. This would mean that, while PIMCO Advisors, New PIMCO, New Parametric, New Cadence, New NFJ, New Blairlogie and New CCI would each be registered as an investment adviser, the managing general partner of each such entity other than PIMCO Advisors would not be so registered.

The corporate and partnership structure of PIMCO Advisors has been dictated in large part by tax considerations arising from its status as a master limited partnership, and the impact of such status on the tax posture of its unitholders. It has not been dictated by any desire or intention to conduct advisory activities through unregistered entities, to shield control persons from Commission oversight or enforcement, or otherwise to evade regulation under the Advisers Act. Indeed, all advisory activities will be conducted solely by registered entities, and all persons who will be engaged in advisory activities will be employees, officers and/or managing directors of an entity that will be registered as an investment adviser. The structure that will exist after the closing of the transaction will, in each case other than PFAMCo, be nothing more than the continuation of present advisory operations, which are and will be conducted only through a registered investment adviser. In that regard, the officers of each Advisory Subsidiary existing at the conclusion of the transaction are expected to be the same individuals who currently conduct the advisory operations of each of the existing registered advisers. In the case of PFAMCo, its investment advisory business will be combined with certain activities of TAG within PIMCO Advisors, and its employees that render advisory and related services will become employees of PIMCO Advisors, which will be a registered adviser. Each entity that will be engaged in an advisory business will be registered with the Commission, and each control person or person for whom information on Schedule D of Form ADV would be required will provide such information to the Commission.

Request

We join TAG in requesting that the Commission Staff indicate that it would not recommend enforcement action to the Commission if, for the reasons and on the conditions set forth below, the corporate general partners of New PIMCO, New Cadence, New NFJ, New Blairlogie, New Parametric, and New CCI, the single general partner of PIMCO Advisors, PIMCO Inc., PIMCO Partners L.P. and PIMCO Partners Inc. (the "Managing General

partners") do not, in reliance on advice of counsel, separately register under the Advisers Act.

Discussion

1. The Managing General Partners Will Not Carry On Any Separate Investment Advisory Business And Therefore No "Integration" With The Corresponding Registered Investment Advisers Is Required.

Unlike a corporation, which has a board of directors, management oversight of a partnership must be exercised by one or more of its general partners. In the case of the Advisory Subsidiaries and PIMCO Advisors, the Managing General Partners will serve this function. However, although management and control of each of these registered investment advisers technically will reside in its Managing General Partner, each Managing General Partner will in effect be merely a shell entity. Actual management responsibility for each of the registered investment advisory partnerships will reside in each adviser's "management board," subject to the oversight of the Equity Board and Operating Board of PIMCO Advisors. Actual management responsibility for PIMCO Advisors will reside in its Operating Board and Equity Board. The management boards of the Advisory Subsidiaries will be comprised primarily of the "managing directors" of each registered adviser (and, in the case of New CCI, its Chief Executive Officer). The Operating Board of PIMCO Advisors will consist of certain senior advisory personnel of the investment advisory partnerships, and the Equity Board will consist of certain of the same individuals, plus non-executive directors otherwise affiliated with PIMCO Advisors or its affiliates. The management board of each Advisory Subsidiary and the Operating Board of PIMCO Advisors will be delegated all power and authority necessary to carry out the operation and management of the business of each adviser (with the exception of certain significant actions which will require the approval of the Equity Board). The management board of an Advisory Subsidiary may establish an executive and compensation committee to carry out certain functions, and may appoint such officers, including a chief executive officer, as the management board believes appropriate. The Operating Board of PIMCO Advisors will exercise its authority through an Operating Committee and the authority of the Operating Board and the Operating Committee to take certain actions will be subject to the approval of its Equity Board.

To the extent that a Managing General Partner engages in the investment advisory business it will do so only through its corresponding registered investment adviser. No Managing General Partner will engage in any investment advisory activities separate or apart from the activities of its

Corresponding registered investment adviser. Further, the persons who engage in the day-to-day operations of an investment advisory business will be employees of a registered investment adviser. Thus, because all advisory activities will occur in the registered investment advisers, and all "associated persons" who engage in the day-to-day activities of the advisers will be employees of a registered investment adviser, no advisory activities outside of the Commission's jurisdiction to supervise will take place. Since the Managing General Partners will not engage directly in any investment advisory operations, this situation is easily distinguished from the "integration" issues confronted by the staff in the Richard Ellis letter and its progeny.²

In Richard Ellis, the staff addressed the issue of whether a foreign parent company engaged "indirectly" in an investment advisory business in the United States through a U.S. subsidiary company that was registered under the Advisers Act was itself required to register under the Advisers Act, on the theory that the parent might be engaging indirectly in a U.S. advisory business on an unregistered basis. The staff concluded in Richard Ellis that a foreign parent would not be required to register if the parent and subsidiary were sufficiently separate, and set forth a five-part test for determining "separateness."³ On the basis of a recommendation in its Protecting Investors

² Richard Ellis (pub. avail. Sept. 17, 1981).

³ Under the Richard Ellis factors, a subsidiary will be deemed sufficiently separate if it: (1) is adequately capitalized; (2) has a buffer, such as a board of directors a majority of whose members are independent of the parent, between the subsidiary's personnel and the parent; (3) has employees, officers and directors who, if engaged in providing advice in the day-to-day business of the subsidiary entity, are not otherwise engaged in an investment advisory business of the parent; (4) itself makes the decisions as to what investment advice is to be communicated to, or is to be used on behalf of, its clients and has and uses sources of investment information not limited to the parent; and (5) keeps its investment advice confidential until communicated to its clients. These factors were derived from proposed Rule 202-1 under the Advisers Act, which would have established virtually identical conditions under which an affiliate formed to provide advisory services would be deemed an autonomous entity. Investment Advisers Act Rel. No. 353 (Dec. 18, 1972). The Commission withdrew the rule proposal in 1976. Investment Advisers Act Rel. No. 497 (Feb. 19, 1976)

report,⁴ the staff over the past two years has further refined the Richard Ellis test to permit greater integration between a registered affiliate and an unregistered foreign affiliate provided generally that the unregistered affiliate consents to U.S. jurisdiction and agrees to provide the Commission with access to any books, records and personnel of the affiliate connected with the provision of advice to U.S. clients.⁵

Since each Managing General Partner will be an unregistered affiliate of a registered investment adviser, we recognize that, on its face, this may appear to raise the potential application of the Richard Ellis and Unibanco letters in a domestic context. However, two concerns reflected in those letters are not presented here. The Managing General Partners will not directly engage in any investment advisory business. Further, to the extent that any employees of a Managing General Partner engage in the investment advisory business, they will do so only through a registered investment adviser. This is in direct contrast to Richard Ellis and Unibanco, in which the unregistered parent or affiliated company itself conducted investment advisory operations outside of its corresponding registered investment adviser. Consequently, unlike the situations that led to the Richard Ellis and Unibanco letters, there is no concern here that the Managing General Partners, or their officers and directors, would be able to do indirectly anything that they could not do directly in contravention of Section 208(d) of the Advisers Act.

2. No Investor Protection Concerns Are Sacrificed If The Managing General Partners Do Not Register

We appreciate that the Staff has legitimate reason to be concerned any time a proposed corporate structure of an adviser sacrifices any of the investor protections imposed by the Advisers Act. This could occur, for example, if advisory personnel were able, through an unregistered entity, to engage in conduct prohibited under the Advisers Act or to avoid the scope of the Commission's jurisdiction for purposes of monitoring and enforcing the requirements of the Advisers Act. Here, however, no sacrifice of investor protections will occur. The only entities that will be conducting investment advisory operations will be the registered investment advisers; each of these entities will be subject to all of the provisions of the Advisers

⁴ SEC Division of Investment Management, Protecting Investors: A Half Century of Investment Company Regulation, Chapter 5 (May 1992).

⁵ See, e.g., Uniao de Bancos de Brasileiros S.A. (pub. avail. July 28, 1992) ("Unibanco").

st, including the Commission's examination and enforcement authority. In all cases, any employee of a Managing General Partner will be an "associated person" of a registered investment adviser under Section 202(a)(17) of the Advisers Act, and all of their advisory activities will be carried out only through a registered investment adviser.

We recognize that the Commission and staff would be concerned if an unregistered affiliate that is beyond the Commission's supervision or authority is able to engage in conduct that harms U.S. advisory clients or U.S. markets. Here, however, since the Managing General Partners will not engage directly in any investment advisory business, and all advisory operations will be carried out solely by and through the registered investment advisers and their associated persons, none of the potential abuses that might cause the Staff to conclude that the Managing General Partners must be registered are present.

3. The Burden of Complying With a Separate Registration Requirement Would Be Costly and Serve No Purpose

If each of the Managing General Partners were required to register as an investment adviser with the Commission, it would create a costly compliance burden upon PIMCO advisors and its affiliates with no apparent investor protection benefits. We are particularly concerned that a requirement that federal registrations be filed for each Managing General Partner may create a similar obligation in the states.

4. The Staff Previously Has Demonstrated Flexibility When Additional Registrations Under The Advisers Act Would Not Serve Any Meaningful Purpose

On several previous occasions, the staff has demonstrated a willingness to be flexible in not requiring related entities to register under the Advisers Act when these additional registrations would not serve any meaningful purpose. In Glenwood Associates, Inc. (pub. avail. Aug. 6, 1992), for example, the staff, among other things, agreed that a limited partnership need not register under the Advisers Act notwithstanding the fact that the limited partnership would engage in the advisory business by virtue of its role as a general partner to a private investment company. The staff recognized in Glenwood that, because the managing general partner would solely control the daily business operations of the limited partnership and the managing general partner itself already was a registered investment adviser, no purpose was served in requiring an essentially duplicate registration by the limited partnership. Moreover, in Price Waterhouse (pub. avail. Oct. 1, 1987), the

staff agreed that the accounting firm of Price Waterhouse need not register if an affiliate of Price Waterhouse, PWIA, registered under the Advisers Act. Once again, since all advisory activities would be conducted within PWIA, and all personnel performing these activities would be persons associated with PWIA under Section 202(a)(17), no purpose would be served in requiring Price Waterhouse itself also to register.

We believe that Glenwood and Price Waterhouse provide appropriate analogies to the situation here, in that the Commission already will have jurisdiction over and therefore access to the books, records and personnel of each Advisory Subsidiary and PIMCO Advisers, and no trading and other activity with potential for client abuse will be beyond the Commission's supervision or authority. As in the case of Glenwood and Price Waterhouse, therefore, we believe that requiring the Managing General Partners to register under the Advisers Act would not serve any meaningful purpose and would only be duplicative of the registration of the registered investment advisers.

Conclusion

In conclusion, for the reasons set forth above, we do not believe that registration of the Managing General Partners under the Advisers Act is necessary or appropriate. Therefore, we would respectfully request that you not object if the Managing General Partners do not register under the Advisers Act in reliance on advice of counsel that such registration is not required.

Please contact Lawrence B. Stoller at 212/326-3575, Robert W. Helm at 202/626-3356, or Jeffrey S. Puretz at 202/626-3358 if you have any questions concerning this matter or if you need any further information.

cc: Sharon A. Cheever (Pacific Mutual Life Insurance Company)
Newton B. Schott (Thomson Advisory Group L.P.)
Robert Guiod (Ropes & Gray)
Ernest L. Schmider (Pacific Investment Management Company)
Patrick A. Seaver (Latham & Watkins)
David C. Mahaffey (Gibson Dunn & Crutcher)

**Information About Pacific Investment
Management Company ("PIMCO")**

**Pacific Investment Management
Company, a General Partnership
("New PIMCO")**

<u>Name</u>	<u>Current Position with PIMCO</u>	<u>Position with PIMCO Management, Inc.¹</u>	<u>Position with New PIMCO</u>
David H. Edington	Managing Director	Director	Managing Director
William H. Gross	Managing Director and Director	Director	Managing Director
John L. Hague	Managing Director	Director	Managing Director
Brent R. Harris	Managing Director	Director	Managing Director
Dean S. Meiling	Managing Director	Director	Managing Director
James F. Muzzy	Managing Director and Director	Director	Managing Director
William F. Podlich III	Managing Director and Director	Director	Managing Director
William C. Powers	Managing Director	Director	Managing Director
Frank B. Rabinovitch	Managing Director	Director	Managing Director
William S. Thompson, Jr.	Chief Executive Officer, Managing Director and Director	Director	Chief Executive Officer and Managing Director

1. Managing General Partner of New PIMCO.

**Information About NFJ Investment Group, Inc.
("NFJ")**

**NFJ Investment Group a General
Partnership ("New NFJ")**

<u>Name</u>	<u>Current Position with NFJ</u>	<u>Position with NFJ Management, Inc.²</u>	<u>Position with New NFJ</u>
Benno J. Fischer	Director and Managing Director	Director	Managing Director
John L. Johnson	Director and Managing Director	Director	Managing Director
Jack C. Najork	Director and Managing Director	Director	Managing Director

**Information About Cadence Capital
Management Corporation ("Cadence")**

**Cadence Capital Management, a General
Partnership ("New Cadence")**

<u>Name</u>	<u>Current Position with Cadence</u>	<u>Position with Cadence Capital Management, Inc.³</u>	<u>Position with New Cadence</u>
William B. Bannick	Director and Managing Director	Director	Managing Director
David B. Breed	Director, Managing Director, Chief Executive Officer Chief Investment Officer	Director	Managing Director

2. Managing General Partner of New NFJ.

3. Managing General Partner of New Cadence.

**Information About Parametric Portfolio
Associates, Inc. ("Parametric")**

**Parametric Portfolio Associates, a
General Partnership ("New Parametric")**

<u>Name</u>	<u>Current Position with Parametric</u>	<u>Position with Parametric Management, Inc.⁴</u>	<u>Position with New Parametric</u>
William E. Cornelius	Director and Managing Director	Director	Managing Director
Mark W. England-Markun	Director, Managing Director Chief Executive Officer	Director	Managing Director

**Information About Blairlogie Capital
Management, Limited ("Blairlogie")**

**Blairlogie Capital Management, a U.K.
Limited Partnership ("New Blairlogie")**

<u>Name</u>	<u>Current Position with Blairlogie</u>	<u>Position With Blairlogie Holdings Ltd. (U.K.)⁵</u>	<u>Position With New Blairlogie</u>
Gavin R. Dobson	Director and Chief Executive Officer	Director	Chief Executive Officer
James G.S. Smith	Director and Chief Investment Officer	Director	Chief Investment Officer
John R.W. Stevens	Director and Chief Financial Officer	Director	Chief Financial Officer

4. Managing General Partner of New Parametric.

5. Managing General Partner of New Blairlogie.

**Information About Columbus Circle Investors
(“CCI”)**

**Columbus Circle Investors, a
General Partnership (“New CCI”)**

<u>Name</u>	<u>Current Position with CCI</u>	<u>Position with Columbus Circle Management, Inc.⁶</u>	<u>Position with New CCI</u>
Irwin F. Smith	Chairman and Chief Executive Officer	Director	Chairman, Chief Executive Officer, Chief Investment Officer
Donald A. Chiboucas	Managing Director and President	Director	Managing Director
Daniel S. Pickett	Managing Director	Director	Managing Director
Amy Mae Hogan	Managing Director	Director	Managing Director
Louis P. Celentano	Managing Director	Director	Managing Director

6. Managing General Partner of New CCI.

**POST-CONSOLIDATION MANAGEMENT BOARDS OF
PIMCO ADVISORS L.P. ("PIMCO ADVISORS")**

Operating Board

<u>Name</u>	<u>Principal Occupations</u>
William S. Thompson, Jr.	Director, PIMCO Inc., Managing Director, New PIMCO
William H. Gross	Director, PIMCO Inc., Managing Director, New PIMCO
Brent R. Harris	Director, PIMCO Inc., Managing Director, New PIMCO
Dean S. Meiling	Director, PIMCO Inc., Managing Director, New PIMCO
James F. Muzzy	Director, PIMCO Inc., Managing Director, New PIMCO
William F. Podlich, III	Director, PIMCO Inc., Managing Director, New PIMCO
William C. Powers	Director, PIMCO Inc., Managing Director, New PIMCO
Irwin F. Smith	Chairman, Chief Executive and Financial Officer, New CCI
Donald A. Chiboucas	Managing Director, New CCI
Daniel S. Pickett	Managing Director, New CCI
David B. Breed	Director, Cadence Inc., Managing Director, New PIMCO
William D. Cvengros	Chief Executive Officer, PIMCO Advisors

Operating Committee

<u>Name</u>	<u>Principal Occupations</u>
William D. Cvengros	Chief Executive Officer, PIMCO Advisors
William S. Thompson	Director, PIMCO Inc., Chief Executive Officer and Managing Director, New PIMCO
Irwin F. Smith	Chairman, Chief Executive Officer and Chief Financial Officer, New CCI

Equity Board

<u>Name</u>	<u>Principal Occupations</u>
William S. Thompson	Director, PIMCO Inc., Chief Executive Officer and Managing Director, New PIMCO
William D. Cvengros	Chief Executive Officer, PIMCO Advisors

Valter B. Gerken*

Thomas C. Sutton*

Glenn S. Schaffer

William H. Gross

William F. Podlich, III

Irwin F. Smith

Donald K. Miller*

Walter E. Auch, Sr.*

Donald R. Kurtz*

Former Director, PIMCO

Former Director, PFAMCo, NFJ, Cadence, Parametric
and Blairlogie

Chief Financial Officer, Pacific Mutual

Director, PIMCO Inc., Managing Director, New
PIMCO

Director, PIMCO Inc., Managing Director, New
PIMCO

Chairman, Chief Executive Officer and Chief Financial
Officer, New CCI

Former Director, Vice Chairman, Thomson Advisory
Group L.P.

Former Director, Thomson Advisory Group L.P.

Former Director, Thomson Advisory Group L.P.

* Non-executive directors.

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October 25, 1994

Heidi Stam, Esq.
Assistant Chief Counsel
Office of the Chief Counsel
Division of Investment Management
United States Securities and Exchange Commission
450 Fifth Street, N. W.
Washington, D.C. 20549

Re: Thomson Advisory Group L.P. and Affiliates

Dear Ms. Stam:

Reference is made to my letter, dated September 7, 1994, to Dorothy M. Donohue, Esq. (the "September 7 Letter") requesting a no-action position of the Staff with respect to the non-registration under the Investment Advisers Act of 1940 (the "Act") of certain present or future affiliates of Thomson Advisory Group L.P. ("TAG L.P."), and the supporting memorandum, dated October 7, 1994, of Messrs. Poretz, Helm and Stoller of Dechert Price & Rhoads submitted on behalf of Pacific Mutual Life Insurance Company and Pacific Financial Asset Management Corporation. The purpose of this letter is to respond to certain questions which you and your staff raised in a telephone conversation with Mr. Stoller and me on October 17, 1994. Defined terms used herein have the same meanings as given in the September 7 Letter.

First, you asked whether all employees of the Requesting Parties (i.e., PIMCO GP, PIMCO Inc., PPLP, PIMCO Partners Inc. and the Managing Partners of the Operating Subsidiaries) who will have access to the investment recommendations of the registered advisers will be required to furnish personal securities transaction reports to the advisers. Each of TAG L.P. and the Operating Subpartnerships (referred to for this purpose as a "Registered Adviser") intends to comply with the requirements of Rule 204-2(a)(12) (the "Record-Keeping Rule") under the Act.

Heidi Stam, Esq.

-2-

October 25, 1994

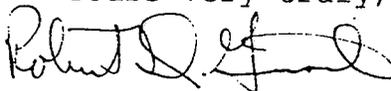
Accordingly, pursuant to the Record-Keeping Rule, each Registered Adviser intends to obtain and maintain personal securities transaction records for each "advisory representative" (as defined in the Record-Keeping Rule) including any of the following persons who obtain information concerning securities recommendations being made by the Registered Adviser prior to the effective dissemination of such recommendations or of the information concerning such recommendations: (i) any Requesting Party and (ii) any affiliated person of such Requesting Party, including any officer, director or employee of such a Requesting Party.

In response to your second question, please be advised that the Requesting Parties do not intend to conduct investment advisory activities (other than the performance of their duties as general partners¹) and, accordingly, the Requesting Parties do not intend to rely on the provisions of Section 203(b)(3) ("... fewer than fifteen clients and who neither holds himself out generally to the public as an investment adviser nor acts as an investment adviser to any investment company. . . .") of the Act.

In response to your third question, the Requesting Parties agree to provide members of the Staff with access to the Requesting Parties' books and records just as if the Requesting Parties were registered under the Act.

I trust that the foregoing is responsive to your questions and concerns, but if you or other members of the Staff have any further questions I hope that you will not hesitate to call me or Larry Stoller at Dechert Price & Rhoads.

Yours very truly,



Robert D. Guidod

RDG/nm:RDGNOACS.TM

¹ I include within the scope of the term "general partner" the functions of second (e.g., PIMCO GP), third (e.g., PIMCO Inc.) and fourth (e.g., PIMCO Partners Inc.) tier general partners.

Heidi Stam, Esq.

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