



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

DIVISION OF  
INVESTMENT MANAGEMENT

ACT IAA-40  
SECTION 202(a)(11)  
RULE \_\_\_\_\_  
PUBLIC AVAILABILITY July 11, 1995

July 11, 1995

Mikio Fujino  
Venture Search Technology Inc.  
2-21-10-202 Shimo-ochiai  
Shinjuku-ku Tokyo, 161 JAPAN

Dear Mikio Fujino:

Your letter of June 5, 1995, has been referred to the Office of Chief Counsel for response. In your letter, you state that Venture Search Technology Inc. ("VST") intends to act as an "investor relations consulting agent" for Japanese corporations, and to establish a "multi-media" data base in Japan to distribute financial information to institutional investors. You ask whether any of these activities are regulated by the Securities and Exchange Commission.

VST's proposed activities may raise an issue 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 under the Advisers Act. 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. Although we do not have sufficient information upon which to make a determination, VST's activities as an "investor relations consulting agent" may require it to register as an investment adviser.

The staff of the Division of Investment Management has issued a number of letters on the question of whether information relating to securities constitutes an analysis or report concerning securities for purposes of Section 202(a)(11). You may wish to review these letters to see if the information that VST would provide falls outside of the statutory language as interpreted by the staff. See, e.g., Datastream International (pub. avail. Mar. 15, 1993); Investex Investment Exchange Inc. (pub. avail. April 9, 1990).

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You should note, in addition, that Section 202(a)(11)(D) of the Advisers Act excludes from the definition of investment adviser any publisher of a bona fide newspaper, news magazine or business or financial publication of general and regular circulation. To qualify for the exclusion under Section 202(a)(11)(D), the publication must:

- (1) offer only impersonalized advice, i.e., advice not tailored to the individual needs of a specific client or group of clients;
- (2) be bona fide; and
- (3) be of general and regular circulation, i.e., not timed to specific market activity or to events affecting or having the ability to affect the securities industry. 1/

Because of the fact-specific nature of the analysis required to determine the availability of the publisher's exclusion, we are unable to determine whether the database you describe meets the requirements of the exclusion.

Enclosed is an Investment Adviser Registration Package, which contains a copy of the Advisers Act and other explanatory material and copies of the letters cited above. We recommend that you consult an attorney who is familiar with the U.S. federal securities laws. Please contact me at (202) 942-0660 [Fax: (202) 942-9659] if you have any further questions.

Sincerely,

  
John V. O'Hanlon  
Special Counsel

enclosure

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1/ See SEC v. Lowe, 472 U.S. 181 (1985).

June 5, 1995

Ms. Elizabeth H. MacGregor  
Branch Chief  
Division of Market Regulation  
Securities and Exchange Commission

Mikio Fujino, Founder  
Venture Search Technology Inc.  
2-21-10-202 Shimo-ochiai,  
Shinjuku-ku Tokyo, 161 JAPAN  
TEL&FAX: 813-3954-2782

Dear Ms. MacGregor,

Thank you very much for your facsimile dated June 1st regarding our inquiry. We would like to send the following statement to the office of the Chief Counsel of the Division of Investment Management. Please let us know the name of the person in charge in the office. We hope we may cooperate with SEC to develop the relationship between U.S. financial market and Japanese corporates which have interest in listing their stocks in overseas securities markets in future.

*Statement:*

We, Venture Search Technology Inc., wish to establish a data base of small businesses in Japan in cooperation with a world-wide financial information multi-media. The purpose of the data base is to distribute information of small businesses to institutional investors all over the world. We also would like to act as an investor relations(IR) consulting agent for small businesses in Japan which may have interest in listing their stocks on NASDAQ in future. We are now studying how to organize our business, and it would be very grateful if you can help us to find the best condition of our business.

We think Japanese economy soon reaches to the same stage of early 80s in the United States when small businesses started to bloom. Under such circumstances we would like to support Japanese small businesses to meet with the world's security standard in cooperation with a world-wide financial information multi-media. As you may know, many Japanese small businesses have interest in NASDAQ listing. However, it is very difficult for them to meet the continuous disclosure requirement of corporate information, as they are too small to provide their corporate information to overseas securities markets time to time.

We would like to resolve this problem by using the facility of a world-wide financial information multi-media. If small businesses distribute their disclosure information through the multi-media, institutional investors may easily access to the information. It will help small businesses to distribute disclosure information more promptly and less costly.

In order to realize the afore-mentioned project, we are very happy to receive your opinion to the following point which we should study further:

'In case we act as an investor relations (IR) consulting agent for Japanese corporates and distribute their information in the United States through a world-wide financial information multi-media, is there any regulation or qualification enacted by SEC?'

Ms. Elizabeth H. MacGregor, Branch Chief Div. of Market Regulation, kindly advised us to provide additional information of our business to you. Our basic idea of IR consulting agent business is as follows:

'We wish to distribute Japanese corporate information like corporate profile, financial data, corporate announcement and etc. which are provided by the company. We charge consultation and distribution fee to the company, but we do not charge an additional fee to users. Both listed and unlisted company information may be distributed.'

If you need further information, please let us know. We hope we may cooperate with SEC to develop the relationship between U.S. financial market and Japanese corporates which have interest in listing their stocks in overseas securities markets in future.

Sincerely yours,



Mikio Fujino, Founder  
Venture Search Technology Inc.