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EXECUTIVE SECRETARY

MARK SENDROW
DIRECTOR

ARIZONA CORPORATION COMMISSION

1999 JUN 30

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AZ CORP COMMISSION
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MEMORANDUM

Arizona Corporation Commission

DOCKETED

JUN 30 1999

TO: Chairman Carl J. Kunasek
Commissioner Jim Irvin
Commissioner William A. Mundell

FROM: Mark Sendrow *MS*
Director of Securities

DATE: June 30, 1999

RE: Notice of Termination of Rulemaking; A.A.C. R14-6-204
RS-00000A-98-0240

cc: Brian C. McNeil, Executive Secretary
Marc Stern, Hearing Officer



On April 1, 1999, the Commission ordered the publication of a Notice of Proposed Rulemaking in connection with the repeal and remaking of the rules promulgated under the Arizona Investment Management Act (the "IM Act").

The Notice of Proposed Rulemaking was published April 30, 1999, and a hearing regarding the IM Rules was held on June 10, 1999. The Hearing Division is currently considering the rulemaking proposal and preparing a proposed order to present to the Commission.

The rulemaking proposes the repeal of A.A.C. Sections R14-6-101 through R14-6-104 and R14-6-201 through R14-6-209 and the adoption of new Sections R14-6-101 through R14-6-104, R14-6-106, and R14-6-201 through R14-6-212 (collectively the "IM Rules"). The rulemaking will correct technical errors within the sections and provide uniformity with the United States Securities and Exchange Commission rules regarding the regulation of investment advisers and investment adviser representatives.

One section of the IM Rules, section R14-6-204 (rule 204), requires investment adviser representatives to take certain examinations, including the NASAA series 65 examination. After the Division commenced this rulemaking proceeding, NASAA adopted a new examination to replace the series 65 exam. The new examination, also identified as the series 65 examination, will

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be effective January 1, 2000. To reflect the new series 65 examination requirement, additional amendments to rule 204 are necessary. The Division, therefore, is withdrawing rule 204 from the package of IM Rules currently before the Hearing Division. The Division will present rule 204 to the Commission as a separate rulemaking package at a later date. The rulemaking under docket number RS-00000A-98-0240 will continue for the remainder of the IM Rules.

A copy of the Notice of Termination of Rulemaking is attached for your information.

NOTICE OF TERMINATION OF RULEMAKING

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND
ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 6. CORPORATION COMMISSION--INVESTMENT MANAGEMENT

1. The Register citation and the date of the Notice of Proposed Rulemaking:

5 A.A.R. 1204, April 30, 1999

2. Articles, Parts, and Sections Affected Rulemaking Action

Article 2, Section R14-6-204

Repeal

Article 2, Section R14-6-204

New Section