

June 6, 2003

Mr. John E. Pruniski, III
Hilburn, Calhoun, Harper, Pruniski & Calhoun, LTD
P. O. Box 5551
North Little Rock, AR 72119

RE: Financial Holding Companies
Opinion No. 03-90000310-NA010

Dear Mr. Pruniski:

I am writing in response to your letter of May 23, 2003 pertaining to whether the provisions of Ark. Code Ann. § 23-42-503(a)(3) exempting from Ark Code Ann. §§ 23-42-501 and 502 “any security issued by and representing an interest in or a debt of any bank organized under the laws of the United States, ... or any bank holding company regulated under the Bank Holding Company Act of 1956” also operates to exempt securities of a “financial holding company” as that term is defined in 12 U.S.C. § 1841(p). Inasmuch as § 1841(p) defines a “financial holding company” as “a bank holding company that meets the requirements of § 4(l)(1) [12 U.S.C. 1843(l)(1)]”, it is the opinion of the Staff of the Department that securities issued by a financial holding company would be exempt under § 503(a)(3).

Should you have any questions, please feel free to contact me.

Sincerely,

John E. Moore, Jr.
Staff Attorney