

MIKE BEEBE
GOVERNOR

A. HEATH ABSHURE
COMMISSIONER



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ARKANSAS SECURITIES DEPARTMENT

David H. Smith
Direct Dial: 501/324-8694
Email: dsmith@securities.arkansas.gov

January 11, 2012

Mr. David S. Sieradzki
Bracewell & Giuliani LLP
2000 K street NW, Suite 500
Washington, DC 20006-1872

RE: Weeden & Co., LP
No-Action 12-NA-0002

Dear Mr. Sieradzki:

The Arkansas Securities Department ("Department") has received your request dated January 4, 2012 regarding the proposed activities in Arkansas by Weeden & Co., LP ("Weeden"). The request seeks confirmation that the Staff of the Department ("Staff") will neither take nor recommend enforcement action under Section 23-42-301 of the Arkansas Securities Act ("Act") if Weeden conducts brokerage activities in Arkansas without registering as a broker-dealer. A copy of your request is attached to avoid reciting or summarizing the facts that you have presented.

Based upon the opinions and representations set forth in your request, the Staff will not recommend enforcement action under Section 23-42-301 of the Act should the proposed activities of Weeden take place as set forth in your request.

Please note that the position of the Staff is based solely upon the representations made to us in your request and applies only to the facts set out therein. Different facts or circumstances might, and often would, require a different response. The Staff only expresses its position as to the recommendation of formal enforcement action and does not purport this position to be a legal opinion or formal conclusion.

If you should have any questions or need additional information, please contact me.

Very truly yours,

A handwritten signature in black ink that reads "David H. Smith".

David H. Smith
Chief Counsel

Attachment

January 4, 2012

By Federal Express

RECEIVED
12 JAN -5 AM 9:38
ARKANSAS SECURITIES DEPT.

Mr. David Smith
Deputy Securities Commissioner
Arkansas Securities Department
201 E. Markham, Suite 300
Little Rock, Arkansas 72201

Re: Weeden & Co., LP /
No-Action Request Regarding Broker-Dealer Registration

Dear Mr. Smith:

We write on behalf of our client, Weeden & Co., LP ("Weeden" or the "Firm"), to request that the staff of the Securities Department (the "Staff") neither take nor recommend enforcement action under Section 2-42-301 of the Arkansas Securities Act against Weeden if it were to conduct brokerage activities in the State of Arkansas without registering as a dealer.

Weeden (CRD #16835 and SEC #8-37267) is a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended, and a member of the Financial Industry Regulatory Authority ("FINRA") and several other self-regulatory organizations. FINRA is Weeden's designated examining authority. The Firm has offices in Greenwich, Connecticut, Rosemont, Illinois, Greenbrae, California, Minneapolis, Minnesota and Boston, Massachusetts. Weeden's customers are limited to institutional investors and money managers. All of Weeden's clients qualify as "institutional investors" under Article 1, Section 102(11) of the 2002 Uniform Securities Act.¹ Further, Weeden does not have any natural persons as clients and does not conduct any retail business.

¹ "Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (A) a depository institution or international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act of 1940; (E) a broker-dealer registered under the Securities Exchange Act of 1934; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this [Act], a depository institution, or an insurance company; (G) a plan established and maintained by a State, a political subdivision of a State, or an agency or instrumentality of a State or a political

Mr. David Smith

January 4, 2012

Page 2

Section 2-42-301(a) of the Arkansas Securities Act makes it unlawful "for any person to transact business in this state as a broker-dealer or agent unless he or she is registered under this chapter." The term "Broker-dealer" is defined under Section 23-42-102(2) to mean "any person engaged in the business of effecting transactions in securities for the account of others or for his or her own account." Section 23-42-102(2)(D)(i)(c) states, however, that "Broker-dealer" does not include "[a] person who has no place of business in this state if [h]e or she effects transactions in this state exclusively with or through... [b]anks, savings institutions, savings and loan associations, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts, *or other financial institutions or institutional buyers*, whether acting for themselves or as trustees." (emphasis added). The Arkansas Securities Act does not define either "other financial institutions" or "institutional buyers" and we have been unable to identify any published interpretations or guidance that would clarify what these terms are intended to encompass.

We respectfully submit that Weeden should be exempt from registration as a dealer in Arkansas. Weeden has no place of business in Arkansas. Weeden's clients are all sophisticated and experienced financial markets professionals who make their own investment decisions. As noted above, all of Weeden's clients qualify as "institutional investors" under Article 1, Section 102(11) of the 2002 Uniform Securities Act. Weeden's

subdivision of a State for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this [Act], a depository institution, or an insurance company; (H) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Section 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (J) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section 681 (c)) with total assets in excess of \$10,000,000; (K) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of \$10,000,000; (L) a federal covered investment adviser acting for its own account; (M) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a) (1)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A); (N) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6); (O) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading this [Act]; or (P) any other person specified by rule adopted or order issued under this [Act].

BRACEWELL
& GIULIANI

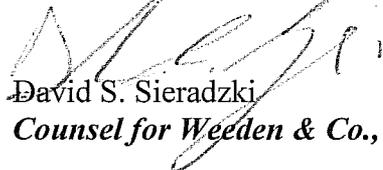
Mr. David Smith
January 4, 2012
Page 2

clients are "institutional" in every sense of the word and should be considered "institutional buyers" as that term is used in Section 23-42-102(2)(D)(i)(c) of the Arkansas Securities Act.

Accordingly, we ask that the Staff confirm that it will neither take nor recommend enforcement action under Section 2-42-301 of the Arkansas Securities Act against Weeden if it were to conduct brokerage activities in the State of Arkansas without registering as a dealer.

Thank you in advance for your consideration of this request. If you have any questions, please contact me at the number listed above.

Very truly yours,
Bracewell & Giuliani LLP


David S. Sieradzki
Counsel for Weeden & Co., LP