



OFFICE OF THE
GENERAL COUNSEL

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

June 14, 1991

Andrew Grossman
Geneva -- Department of State
Washington, D.C. 20521-5120

Dear Mr. Grossman:

This is in further response to your letter of November 30, 1990, which was referred to this Office by the Commission's Office of Consumer Affairs. That letter asked if the Securities and Exchange Commission has addressed the issue of whether membership in a Lloyd's of London syndicate is a security subject to regulation under the Securities Exchange Act. This letter also responds to your further correspondence with Assistant General Counsel Diane Sanger on this subject. In addition, this Office has received letters from other members or "names" of Lloyd's to whom you have written, urging that the Commission not become involved in this matter.

As you note in your March 22, 1991 letter to Ms. Sanger, the staff of the Commission's Division of Corporation Finance had discussions in the past with Lloyd's concerning the applicability of the registration provisions of the Securities Act of 1933 to syndicate memberships. At that time, it appeared to the Division that if Lloyd's proceeded on the basis represented by its counsel, registration under the Securities Act would not be required. The Division did not make a determination that such memberships were not securities subject to other provisions of the Securities Act or the Securities Exchange Act, including the antifraud provisions.

In light of the issues raised by your letters concerning the manner in which Lloyd's memberships were allegedly sold to U.S. persons, I have referred this correspondence to the Division of Corporation Finance so that the Division may consider whether the actions of Lloyd's were consistent with the earlier representations of counsel and to take additional action if appropriate. If you would like further information, please contact William E. Morley, Chief Counsel in the Division of Corporation Finance.

Thank you for bringing this matter to our attention. The Commission and its staff appreciate the willingness of investors to alert the Commission to possible violations of the federal securities laws. Of course, no determination has been made on the matters presented by your letter, including whether there has been a violation

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4. To the best of your knowledge, a list of the names, addresses and telephone numbers of members' agents of Lloyd's of London.

5. Any and all documents reflecting, referring or relating to any travel made in connection with your membership or application for membership in Lloyd's of London.

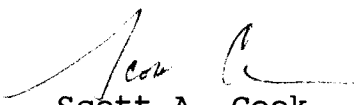
6. Any and all documents, reflecting, referring or relating to the Feltrim syndicates.

We ask that you provide the documents and information requested herein by August 1, 1991.

Enclosed please find a copy of SEC Form 1662, which includes important supplemental information for persons requested to provide information to the Commission. Please understand that you have the right to be represented by counsel in connection with this matter. You should not consider this inquiry as an indication that any violations of law have occurred or as an adverse reflection upon any person, entity or security.

Please contact me at (202) 504-2288 if you have any questions concerning the foregoing.

Very truly yours,


Scott A. Cook
Staff Attorney

Enclosures: Form 1662