



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.

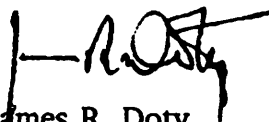
In light of the issues raised by your letters concerning the manner in which Lloyd's memberships were allegedly sold to U.S. persons, I have referred this correspondence to the Division of Corporation Finance so that the Division may consider whether the actions of Lloyd's were consistent with the earlier 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

Andrew Grossman
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of the federal securities laws that would warrant action by the Commission. The Commission as a matter of policy does not disclose whether it is investigating a matter unless a public action is taken, e.g., the filing of a complaint in court. Further, where the Commission determines to initiate action, it cannot represent the interests of individual investors. If you have any questions concerning this matter, you may contact Robert Mills of my staff at (202) 272-2436.

Sincerely,

A handwritten signature in black ink, appearing to read "J. R. Doty", with a horizontal line extending from the left side of the signature.

James R. Doty
General Counsel

cc: C.C. Dockery
Nigel Renton



Office of
Consumer Affairs
and Information
Services

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

HO 54616

January 11, 1991

Andrew Grossman
American Embassy
APO San Francisco 96301

Dear Sir/Madam:

This is to acknowledge receipt of your recent correspondence. We have entered it into the Commission's computerized consumer complaint/inquiry tracking system under the reference number above.

Please be advised that your correspondence has been assigned to a Consumer Affairs Specialist for review and response. Regrettably, due to the large number of complaints and inquiries now under review, the response may be delayed.

Thank you for your patience.

Consumer Affairs Branch



Office of
Consumer Affairs
and Information
Services

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

HO-54616

February 11, 1991

Andrew Grossman
American Embassy
APO San Francisco 96301

RE: Lloyd's of London

Dear Mr. Grossman:

This is in response to your November 30, 1990 letter that was received in our office on January 9, 1990. In your letter, you request a response to whether membership in Lloyd's of London is a security or an investment subject to regulation under the Securities and Exchange Act.

We appreciate receiving the information contained in your letter. However, please note that we are unable to answer your specific question. Accordingly, we are forwarding a copy of your letter to the Office of General Counsel in the Commission for its consideration. Please be assured that your comments will receive consideration in connection with our responsibilities under the federal securities laws.

If we can be of assistance in other securities-related matter, please do not hesitate to contact our office.

Sincerely,

Cecelia R. Howell
Consumer Affairs Specialist

cc: Office of General Counsel

Mr. Andrew Grossman
July 18, 1991
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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



DIVISION OF
ENFORCEMENT

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

July 18, 1991

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

Re: In the Matter of Lloyd's of London
Syndications (MHO - 3290)

Dear Mr. Grossman:

The staff of the Securities and Exchange Commission is conducting the informal investigation captioned above. In connection therewith, the Division of Enforcement requests that you voluntarily provide us with certain documents and information described below. If you choose to provide us with the requested documents and information, please review any computer data storage devices you have, such as hard disks or floppy disks, for relevant records. Please also understand that we are interested in any type of records you may have, including notes, work papers, correspondence, ledgers and diaries as well as formal contracts, agreements and the like.

The documents and information we would like include the following:

1. Any and all documents reflecting, referring or relating to membership in Lloyd's of London or participation in syndicates associated with Lloyd's of London, including without limitation offering materials, prospectuses, membership applications, agency agreements, trust instruments, membership rules and regulations, correspondence, memoranda and notes of any meetings and conversations with Lloyd's of London members, members' agents, managing agents, the ROTA Committee and any other agent or representative of Lloyd's of London.
2. Any and all documents concerning your experience as a Lloyd's of London member, such as documents relating to underwriting losses and the reasons for such losses, requests to you for additional payments, efforts to clarify or resolve your liabilities and obligations, and account statements relating to your membership.
3. To the best of your knowledge, a list of the names, addresses and telephone numbers of United States members of Lloyd's of London.



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