



State of Utah

DEPARTMENT OF COMMERCE

Division of Securities

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Governor

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Executive Director

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February 9, 1990

Donald F. Dalton, Esq.
Attorney at Law
411 East 100 South
Salt Lake City, Utah 84111

Re: Pharmics, Inc., File # 4119-17/A05803-21
No-Action Letter

Dear Mr. Dalton:

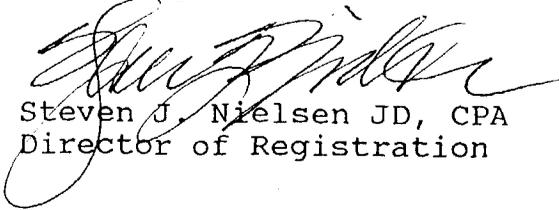
This letter is in response to your letter dated January 29, 1990, regarding the May, 1986, distribution of Pharmics, Inc., shares to Pharmed, Inc., shareholders.

Based on a review of the information and materials submitted with your letter, it appears that Pharmics substantially complied with the disclosure provisions Rule 177-14-2p. Shareholders who were not control persons elected to be represented by Mr. Kelly Farmer, Chairman of the Board of Directors. Mr. Farmer had access to all information material to the transaction. Therefore, I recommend that the Division take no enforcement or administrative action against Pharmics, Inc. for the distribution of Pharmics, Inc., shares to Pharmed, Inc., shareholders.

This response does not purport to express any legal conclusions regarding the applicability of statutory or regulatory provisions of federal or state securities laws to the questions presented. It expresses only the Division's position on enforcement or other administrative actions.

Inasmuch as this recommendation is based upon the facts noted above, please note that any different facts or conditions of a material nature might require a different conclusion. Furthermore, this recommendation relates only to the referenced transaction and shall have no binding effect on the Division with respect to future similar matters.

Sincerely,


Steven J. Nielsen JD, CPA
Director of Registration

cc: Walter J. Plumb III
Leonard W. Burningham

MAB