



State of Utah

DEPARTMENT OF COMMERCE DIVISION OF SECURITIES

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January 5, 1995

Mr. David P. Trummel
Warner, Norcross & Judd
900 Old Kent Building
111 Lyon Street, N.W.
Grand Rapids, Michigan 49503-2489

Re: Shoreline Financial Corporation File #004-1897-34/A40343-34

Dear Mr. Trummel:

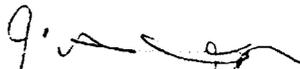
The Division of Securities ("Division") has reviewed your request for a no-action letter pursuant to § 61-1-25(5) of the Utah Uniform Securities Act, ("Act"), and Division Rule R164-25-5 on behalf of Shoreline Financial Corporation, ("Applicant"), on October 26, 1994. So as to avoid unnecessary restatement or summarization of the facts set forth in your letter, the Division's response is attached to a photo copy of your letter.

Based upon your factual representations, the Division will not recommend any enforcement action under § 61-1-3 of the Act, if the Shoreline Financial Corporation Dividend Reinvestment Plan, ("Plan") is effected as described in your letter.

Because this no-action letter is based upon the representations made to the Division, it should be noted that any different facts or conditions of a material nature might require a different conclusion. Please note that this no-action letter relates only to the referenced Plan and shall have no value for future similar factual circumstances.

Very truly yours,

DIVISION OF SECURITIES
UTAH DEPARTMENT OF COMMERCE


J. Matthew Jenkins
Director of Licensing



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October 26, 1994

Mr. Mark Thomas
Director of Licensing
Utah Division of Securities
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84111

Re: Shoreline Financial Corporation Dividend Reinvestment Plan

Dear Mr. Thomas:

The purpose of this letter is to request your confirmation that the implementation and operation of the above-referenced Dividend Reinvestment Plan will not require the registration of any individual as an agent under Utah Code Section 61-1-3. Two copies of this no action letter request are being submitted pursuant to Rule 164-25-5.

We represent Shoreline Financial Corporation ("Shoreline"), a bank holding company incorporated under the laws of Michigan. Shoreline's Common Stock ("Common Stock") is quoted on the NASDAQ National Market System under the trading symbol SLFC. Shoreline has adopted a Dividend Reinvestment Plan (the "Plan") under which record holders of Shoreline Common Stock may elect to have their cash dividends reinvested in additional shares of Shoreline Common Stock.

Shoreline electronically filed a Post-Effective Amendment to the Form S-3 Registration Statement with the Securities & Exchange Commission on October 25, 1994.

Mr. Mark Thomas
October 26, 1994
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Enclosed as **Exhibit A** is a conformed copy of this filing. The Prospectus contained in the Registration Statement sets forth all the terms and conditions of the Plan; there is no document embodying the Plan other than the Prospectus.

Shares of Shoreline Common Stock purchased for participants in the Plan will be newly issued shares or shares purchased for participants in the open market, at Shoreline's option. The price of all shares purchased under the Plan will be based upon the market price of Shoreline Common Stock as reported on the NASDAQ National Market System. Shoreline will pay all commissions, fees and expenses incurred in connection with open market purchases of Shoreline Common Stock under the Plan.

For purposes of the Plan, we believe that it will not be necessary to register Shoreline Common Stock under the Utah Uniform Securities Act by virtue of the provisions of Section 61-1-14(1)(g) of the Code of Utah, which provides an exemption from registration for securities listed on NASDAQ. It further appears that Shoreline will not be deemed a "broker-dealer" under Section 61-1-13 by virtue of subsection 3(b) thereof, which excludes issuers from the definition of "broker-dealer."

We need to confirm that no officer or employee of Shoreline will be deemed an "agent" within the meaning of the Utah Code Section 61-1-13(2) and, therefore, required to register as an agent under Section 61-1-3 for purpose of the implementation and operation of the Plan. To assist you in your consideration of this request, I would offer the following explanation.

Section 61-1-3 prohibits any person from transacting business in Utah as an agent unless he or she is registered as such under the Utah statute. Section 61-1-13(2) defines "agent" to mean any individual who represents an issuer in effecting or attempting to effect purchases or sales of securities.

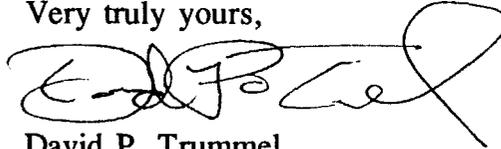
Participation in the Plan will be offered to record holders of Shoreline Common Stock only by means of the prospectus contained in the enclosed Form S-3 Registration Statement (and certain exhibits thereto), and not through any means of personal contact. No commission or other remuneration of any nature whatsoever will be paid or given directly or indirectly, to any person in connection with the solicitation of Shoreline shareholders to participate in the Plan. No officer or employee of Shoreline will perform any function relative to the solicitation of Shoreline shareholders or the offer or sale of Shoreline Common Stock pursuant to the Plan (other than ministerial functions such as answering routine procedural questions from shareholders).

On the basis of the foregoing, we respectfully request a no-action letter to the effect that the Division staff will not recommend that the Division take action with respect to the failure of officers and employees of Shoreline to register as agents under Utah Code Section 61-1-3 for purposes of the Plan. To our knowledge there is no legal action, judicial or administrative, that relates directly or indirectly to these facts. Finally, we are enclosing our check in the amount of \$120 pursuant to Rule 164-25-5.

Mr. Mark Thomas
October 26, 1994
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Thank you for your consideration of this no-action letter request. If you have any questions or require any further information, or if for any reason you anticipate any material delay in responding to this request, please contact me as soon as possible.

Very truly yours,

A handwritten signature in black ink, appearing to read "David P. Trummel", with a large, stylized flourish at the end.

David P. Trummel

hgk

Enclosures

cc: Wayne R. Koebel

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