



State of Utah

DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES

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August 14, 1996

Mr. Daniel Mauer
Madison Mortgage Inc.
5645 S. Waterbury Way Suite D100
Salt Lake City UT 84121

Re: Madison Mortgage Inc. #005-6039-47/A55928-47

Dear Mr. Mauer:

Pursuant to your letter dated August 12, 1996, the Utah Division of Securities ("Division") has reviewed your no-action request pursuant to § 61-1-25(5) of the Utah Uniform Securities Act ("Act") and Division Rule 164-25-5.

Please be advised that based upon the facts presented, the Division will not recommend enforcement or administrative action should Madison Mortgage Inc. engage in the activities described in your letter (copy attached).

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 question presented. It merely expresses the Division's position as to whether Madison's proposed activities will be challenged.

Since 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. Furthermore, this no-action letter relates only to the applicant and their securities and shall have no value for future similar events. Nor does this letter absolve any party involved from complying with the anti-fraud provisions contained in § 61-1-1 of the Act.

Very truly yours,

MARK J. GRIFFIN, DIRECTOR
DIVISION OF SECURITIES

S. Anthony Taggart
Director of Corporate Finance

JRN

Attachment





Madison Mortgage Inc.

August 12, 1996

Mr. Tony Taggart
Utah Division of Securities
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111

RE: "No Action Letter"

Dear Mr. Taggart,

This letter outlines a plan being considered by the management of Madison Mortgage Inc., a registered mortgage broker with the State of Utah. The following explanation is provided to generate a "No Action Letter" from your office in reference to Utah's Securities Laws and Regulations as they relate to the enclosed information.

Madison Mortgage has been contacted by individuals that want to buy mortgages. To our knowledge, these individuals would be both accredited and non-accredited. The transaction would consist of one individual wanting to buy one mortgage. Madison Mortgage will be paid directly from the lender (the entity that currently holds the mortgage) in the form of an origination fee. The individual buying the mortgage will pay no commission fee, nor will a fee be deducted from the amount used to buy the mortgage. We will not advertise for individuals, nor will we make any kind of public offering or solicitation. The individuals will either be currently known by the corporation or referred to the corporation by a common association. There will be no commissions or finder fees paid to any individual(s) that refer(s) family and/or friends to Madison Mortgage with the intent to buy a mortgage. There is currently no legal action being taken against Madison Mortgage, judicial or administrative, which relates directly or indirectly to the information enclosed.

Madison Mortgage has reviewed the above information with Ken Goddard at the Utah Department of Financial Institutions. The Utah Department of Financial Institutions issues mortgage broker licenses like the one held by Madison Mortgage. Ken Goddard told Madison Mortgage that the plan to facilitate a single individual to buy a single mortgage is not covered under 70D of the Utah Code.

We are interested in a written confirmation, in the form of a "No Action Letter," prior to starting any portion of the plan as it has been previously mentioned.

Thank you for your consideration in this matter.

Sincerely,

Daniel Mauer
General Manager

cc: enclosed
DKM/ed