



JON M. HUNTSMAN, JR.  
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*Lieutenant Governor*

State of Utah  
Department of Commerce  
Division of Securities

FRANCINE A. GIANI  
*Executive Director*

JASON P. PERRY  
*Deputy Director*

WAYNE KLEIN  
*Director of Securities*

May 3, 2006

Jane K. Storero  
BLANK ROME, LLP  
One Logan Square  
18<sup>th</sup> & Cherry Streets  
Philadelphia, PA 19103-6998

Re: Sun American Bancorp  
Request for No Action Position  
File #: B00587353

Dear Ms. Storero:

In response to your letter dated April 4, 2006, the Utah Division of Securities ("Division") has reviewed your request for a no-action letter pursuant to the authority granted by §61-1-25(5) of the Utah Uniform Securities Act ("Act") and §R164-25-5 of the Utah Administrative Code ("UAC"). In your request, you describe the proposed issuance by officers of Sun American Bancorp (the "Company") of the Company's common stock through the exercise of warrants. Both the Company's common stock and its warrants are traded on the American Stock Exchange. Your letter requests that the Division take a no-action position on registration and licensing requirements for the plan as outlined.

Based upon the facts presented in your request, and in reliance upon your opinion as legal counsel, the staff of the Division will not recommend any enforcement or administrative action should the transaction proceed as outlined in your request. To avoid unnecessary restatement or summarization of the facts set forth in your request, a copy of your April 4, 2006 letter is attached. By way of emphasis and not of limitation, the Division's grant of relief is made expressly conditional on the Company's officers performing only those ministerial duties necessary to process incoming exercise requests. No solicitation of securities transactions or securities-related communications of an advisory or consultative nature with Company security holders will be permitted.

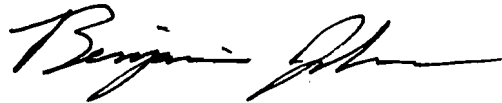
This response does not purport to express any legal conclusions regarding the applicability of statutory or regulatory provisions of federal or state securities laws to the questions presented. It merely expresses the opinion of the Division Staff on enforcement or administrative actions.

Jane K. Storero  
BLANK ROME, LLP  
May 2, 2006  
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As this recommendation is based upon the representations made to the Division, any different facts or conditions of a material nature might require a different conclusion. Furthermore, this no-action letter relates only to the transaction described above and will have no value for future similar transactions. Finally, the issuance of a no-action letter does not absolve any party from complying with the antifraud provisions contained in §61-1-1 of the Act.

Very truly yours,

UTAH DIVISION OF SECURITIES



Benjamin N. Johnson  
Director of Corporate Finance

BNJ

Enclosure

Phone: (215) 569-5488  
Fax: (215) 832-5488  
Email: [Storero@blankrome.com](mailto:Storero@blankrome.com)

April 4, 2006

**VIA FEDERAL EXPRESS**

Department of Commerce  
Division of Securities  
160 East 300 South, 2<sup>nd</sup> Floor  
Salt Lake City, Utah 84111

Re: Sun American Bancorp - Request for No Action

Dear Sir or Madam:

As counsel to Sun American Bancorp Inc., a Delaware corporation (the "Company"), we are submitting this letter in connection with the proposed issuance by the Company of shares of its common stock, par value \$0.01 per share (the "Common Stock"), upon exercise of outstanding Warrants to existing warrant holders pursuant to the terms of the Warrants.

The Company's Common Stock and Warrants are listed on the American Stock Exchange (the "AMEX") and are, therefore, defined as "covered securities" under Section 18(b)(1) of the Securities Act of 1931, as amended. Covered securities are exempt from registration in Utah under Section 61-1-14(1)(g) of the Utah Uniform Securities Act (the "Securities Act").

The shares of Common Stock to be issued to existing warrant holders of the Company upon exercise of the warrants will be issued directly by the Company through its officers. The Company is excluded from the definition of "dealer" under Section 61-1-13(3)(b) of the Securities Act.

It appears, however, that the officers of the Company, who may effect issuances of Common Stock on behalf of the Company, may fall within the definition of "agent" as set forth in Section 61-1-13(2) of the Securities Act. Such officers acting on behalf of the Company would be acting only in the normal course of their duties with the Company and perform ministerial acts in connection with the issuance of the Common Stock. No one effecting the issuance of the Common Stock to existing warrant holders would receive any commissions or other remuneration relating to the issuance of Common Stock upon exercise of the warrants. The Company, therefore, does not believe that it is necessary for the protection of investors in Utah that the Company's officers be registered as agents in Utah.

Department of Commerce  
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On behalf of the Company, we hereby respectfully request that the Division of Securities (the "Division") take no enforcement action if shares of the Company's Common Stock are issued upon exercise of the warrants without registration of the Company's officers as agents under the Securities Act.

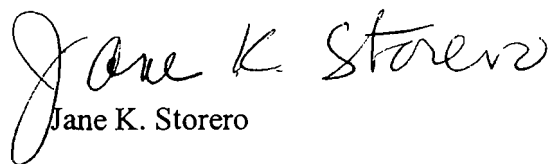
Enclosed is a check in the amount of \$120.00 payable to the Utah Division of Securities to cover the fee for this request.

Also enclosed are copies of the Company's latest Form 10-KSB for the year ended December 31, 2005, to provide you with additional information regarding the Company.

Please acknowledge receipt of the enclosures by stamping and returning the additional copy of this letter in the envelope provided herein.

If you have any questions or desire additional information, please contact either Theresa Banson at (215) 569-5436 or me at (215) 569-5488.

Very truly yours,

  
Jane K. Storero

JKS:tb  
Enclosures

cc: Theresa M. Banson, Paralegal