



State of Utah

DEPARTMENT OF COMMERCE
DIVISION OF SECURITIES

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June 27, 1995

Mr. Gregory J. Lynch
Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601-9703

Re: Motorola, Inc. _____ File #004-7391-34/A42020-34

Dear Mr. Lynch:

This letter is in response to your letter dated May 18, 1995, regarding the offering of Series EE United States Savings Bonds in conjunction with a promotional program being conducted by Motorola, Inc.

The Securities Division of Utah, ("Division") has been asked to state its position on promotional programs involving 'free' securities which are given away with the purchases of other items of value. Pursuant to §61-1-14(1)(a) of the Utah Uniform Securities Act, ("Act"), the following securities are exempted from Section 61-1-7 and 61-1-15: any security, including a revenue obligation, issued or guaranteed by the United States. Pursuant to §61-1-13(3) of the Act, broker-dealer means any person engaged in the business of effecting transactions in securities for the account of others or for his own account. It is clear that Series EE United States Savings Bonds are exempt from registration, however, the security exemption does not exempt Motorola, Inc. or Young America, from the licensing requirement of broker-dealers or broker-dealer agents. Anyone offering or selling these bonds must be licensed with the Division as a broker-dealer or broker-dealer agent.

The Division does not intend to take any enforcement action against Motorola or Young America regarding the promotional program whereby Series EE United States Savings Bonds are offered without charge upon the purchase of other items of value, based upon the following factors:

- (a) Series EE United States Savings Bonds are among the safest and most secure investments and are fully guaranteed by the United States Government.
- (b) Series EE United States Savings Bonds have a readily ascertainable value, and are easily redeemable.



For these reasons, the Division will not require Motorola or Young America to register as a broker-dealer in Utah, if the only type of security offered as part of a promotional campaign are Series EE United States Savings Bonds. However, Motorola and Young America must include a full and accurate description of the bonds, the face value of the bonds, the approximate present market value of the bonds, and the interest rate of the bond in all of the advertisements and literature used during the promotional program.

Because this finding is based upon the representations made to the Division of Securities, it should be noted that any different facts or conditions of a material nature might require a different conclusion. Please note that this order relates only to the referenced transaction and shall have no value for future similar offerings.

Very truly yours,

MARK J. GRIFFIN, DIRECTOR
UTAH DIVISION OF SECURITIES

A handwritten signature in black ink, appearing to read 'J. Matthew Jenkins', with a long horizontal flourish extending to the right.

J. Matthew Jenkins
Director of Licensing

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WRITER'S DIRECT DIAL NUMBER

(312) 558-5878

May 18, 1995

VIA FEDERAL EXPRESS

Mr. J. Matthew Jenkins
Utah Division of Securities
1600 East 300 South
Salt Lake City, Utah 84145-0808

Re: Motorola, Inc. U.S. Savings Bond Rebate

Dear Mr. Jenkins:

As per our phone conversation today, enclosed are copies of No Action Letters issued by the states of Alaska, Illinois, Indiana, Nevada, North Dakota, Pennsylvania, Rhode Island, South Dakota and Wyoming that were given in connection with the United States Savings Bond Rebate Program planned by Motorola, Inc. ("Motorola"). In addition, enclosed are copies of No Action Letters issued by the states of Alabama, Colorado, Georgia, Kentucky and Maryland for United States Savings Bond Rebate Programs similar to that being planned by Motorola. Further, we have received preliminary indications from four (4) other states that they will either issue No Action Letters for the promotion or specifically exempt Motorola, Young America Corporation and the agents, employees and distributors of the foregoing from the broker-dealer and/or agent licensing requirements.

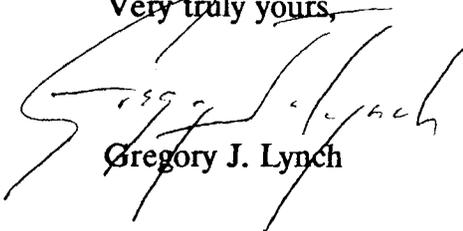
In addition to the No Action Letters received by Motorola, Motorola, and its agents, employees, affiliates and distributors are statutorily exempt from the broker-dealer licensing requirements in nineteen (19) states and the District of Columbia.

Finally, I would like to take this opportunity to thank you and your staff for the courteous service you have provided in this matter.

Mr. J. Matthew Jenkins
May 18, 1995
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Please feel free to call me (312/558-5878) if I can be of further assistance in this matter.

Very truly yours,



Gregory J. Lynch

GJL/gah
Enclosure

cc: Stephen P. Durchslag
Jeffrey A. Brown