



OLENE S. WALKER  
*Governor*

KLARE BACHMAN  
*Executive Director*

State of Utah  
Department of Commerce  
Division of Securities

S. ANTHONY TAGGART  
*Division Director*

July 12, 2004

James P. King, General Counsel  
ALLSTATE BANK  
544 Lakeview Pkwy, Suite L3A  
Vernon Hills, IL 60061

Re: Offering of FDIC Insured CDs by Allstate Agents  
Request for No Action Position  
File #: B00310193

Dear Mr. King:

In response to your letters dated January 28, 2002 and June 15, 2004, 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 a scenario in which the exclusive agents of Allstate Bank ("Allstate") will refer clients to purchase the CDs of Allstate and will receive a referral fee for doing so. Your letter requests confirmation of the Division's no-action position on licensing requirements for the Plan.

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 June 15, 2004 letter is 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 questions presented. It merely expresses the opinion of the Division Staff on enforcement or administrative actions.

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

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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

A handwritten signature in black ink, appearing to read "Benjamin N. Johnson", written in a cursive style.

Benjamin N. Johnson  
Director of Corporate Finance

BNJ

Enclosure



**Allstate**  
BANK

*James P. King  
General Counsel  
(847) 968-7059*

June 14, 2004

Mr. S. Anthony Taggart  
Director  
Division of Securities  
Utah Department of Commerce  
P.O. Box 146760  
Salt Lake City, UT 84114-6760

RE: Sale of Certificates of Deposit

Dear Director Taggart:

On December 2, 2003 your office issued a "No-action Letter " to State Farm Bank ("State Farm") in which the Division stated that it would not recommend any enforcement action against State Farm for not licensing sales representative in connection with the sale of certificates of deposit ("CDs") issued by State Farm for the reasons stated in your letter and as outlined in State Farm's letter to your office. A copy of that correspondence is enclosed.

I also enclose a letter from our office to you dated January 28, 2002 describing the offering of Allstate Bank products and services, including CDs, through an exclusive network of independent insurance agents in an arrangement similar to that of State Farm. This letter is to supplement our previous correspondence and to confirm that the CDs are and will be offered subject to the same factors as outlined in your letter to State Farm. That is, that: 1) Allstate Bank is federal savings bank chartered, regulated and examined by the Office of Thrift Supervision, 2) The CDs are FDIC insured, 3) Allstate's exclusive agents do not accept cash from or make withdrawals on behalf of customers, 4) the CDs are issued directly from the bank to the customers, 5) the exclusive agents are compensated only for referring customers to Allstate Bank, 6) the exclusive agents will not create a secondary market for the CDs, 7) the exclusive agents will not add any enhancement to the CDs and the CDs are not callable, 8) the agents will offer Allstate Bank CDs exclusively.

Based on the foregoing and that your letter stated that it only relates to the transaction described therein, Allstate Bank hereby requests that you issue a "No-

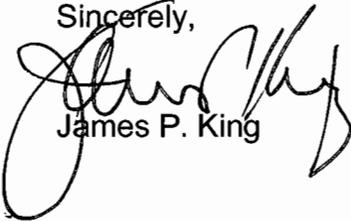
*544 Lakeview Parkway, Suite L3A, Vernon Hills, IL 60061*

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action Letter" to Allstate Bank stating that Allstate exclusive agents need not be licensed or registered to offer the CDs.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "James P. King", written in a cursive style. The signature is positioned above the printed name "James P. King".

James P. King