

GILBERT L. DELUGACH

Publicly Available September 18, 1986

SEC LETTER

Advisers Act Sec. 202(a)(11)

**August 19, 1986
Our Ref. No. 86-360-CC
Gilbert L. Delugach
File No. 132-3**

This will respond to your letter of July 30, 1986, in which you asked the staff's advice on whether publication of a pamphlet discussing the use of covered call options would require your registration as an investment adviser under the Investment Advisers Act of 1940 ("Act"). Investment Advisers Act Release No. 563 (January 10, 1977) (copy enclosed) sets forth the staff's position that the Act's registration requirements do not apply to authors and publishers of certain publications that do not contain advisory information relating to specific securities or issuers. If the pamphlet which you propose to publish falls within that category, it would not, by itself, compel you to register under the Act.

With regard to the sample pamphlet that accompanied your letter, the staff, as a matter of policy, does not review and comment upon individual publications of this type.

I hope that the enclosed will be of assistance to you.

Jack W. Murphy
Attorney

INCOMING LETTER

July 30, 1986

**Mr. Thomas Lemke
Chief Counsel Division of Investment Management
Security and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549**

Dear Mr. Lemke:

I spoke to a representative in your office about publishing the enclosed pamphlet and selling it to the public. She felt that this does not require SEC clearance.

However, I am sending it to you for your criticism or suggested changes.

I have been dealing in covered call options for a number of years using our portfolio of common stocks which have quoted options on the exchanges.

Actually the enclosed was prepared as a sort of manual for use by my wife and her representatives, in the event that something happens to me.

I know that there is nothing new in the pamphlet that any broker or advisor or knowledgeable investor does not already know. I have found, on the other hand, that the vast majority of stock investors think that this investment tool is too complex for them to understand.

There is no intent to advise them in any way as to what particular stocks to buy or what calls to sell. They can obtain this advice from their brokers or other investment counsel.

The figures shown are from actual transactions on the dates in the latest period on our portfolio. It is presumed that similar income can be achieved by any investors using their own portfolios.

The manual can be used by the individual investors to watch their options so that they can more easily understand how to manage their transactions.

There is no assurance that the call premium shown will always be attainable. The investors can guide themselves as they wish.

Please take the time to read this and any criticism or suggestions will be appreciated.

I look forward to an early reply.

Sincerely,

Gilbert L. Delugach