

ROBERT R. CHAMPION

Investment Advisors Act of 1940 -- Section 202(a)(11)

Sep 22, 1986

TOTAL NUMBER OF LETTERS: 2

SEC-REPLY-1:

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
August 22, 1986**

**Mr. Robert R. Champion
1599 Shrader
San Francisco, California 94117**

Dear Mr. Champion:

Your letter of August 8, 1986, addressed to the Office of Applications and Reports Services, has been referred to this Division for consideration.

You request our view as to whether you need to register as an "investment adviser" under the Investment Advisors Act of 1940 ("Act") if you give recommendations, in the manner set forth in your letter, solely with regard to "long and/or short positions in stock index futures contracts." In our opinion, the service you propose to offer would not make you an investment adviser required to be registered under the Act. You should note, however, that our position is based upon your representation that you will give advice only with respect to commodities and that giving advice as to other investment media may require a different conclusion.

I trust this is responsive to your inquiry. If you should have any additional questions, please do not hesitate to contact me.

Very truly yours,
A. Thomas Smith III
Attorney
Office of Chief Counsel

INQUIRY-1:

**ROBERT R. CHAMPION
1599 SHRADER
SAN FRANCISCO 94117
August 8, 1986**

**Office of Applications and Reports Services
Branch of Registrations and Examinations
U.S. Securities and Exchange Commission
450 Fifth Street, N W
Washington, D.C. 20549**

I have received the Investment Adviser Registration Package and have a question or two that I would appreciate your answering.

The service that I am considering would involve recommending long and/or short positions in stock index futures contracts only. Since these contracts are commodities, I intend to register as a Commodity Trading Advisor. Must I also register with you as an investment advisor?

PI would be acting as a consultant to a broker in a brokerage firm of my client's choosing. As such, I would be recommending positions to this broker who would exercise discretion over the account. The broker (not his client) would pay me a fee for this service. Does this method of operating affect the need to register?

Your attention to these questions will be appreciated.

Sincerely yours,
Robert R. Champion