

DJZ ASSOCIATES
Investment Management

RECEIVED
DIVISION OF INVESTMENT
MANAGEMENT REGULATION

Seymour S.

OCT 2 1975

Allan Kahn, Ph.D.

Office of Investment Adviser
and Insurance Product Regulation

Sept. 26, 1975

Division of Investment Management Regulation
Securities and Exchange Commission
Washington, D.C. 20549

REC'D - S.E.C.
Act 1A A-40
Section 203(b)(3) 1975
Rule PUBLIC
801-5879 11/19/75

Dear Sirs:

Re SEC File

I wish to withdraw from registration as an investment adviser for the following reasons:

(1) According to section 202(11) of the Investment Advisers Act of 1940

" 'Investment adviser' means any person

but does not include, (A) a bank;

(B) any lawyer, accountant, engineer or teacher whose performance of such duties is solely incidental to the practice of his profession; (C) - - - - -"

I am the owner (and sole employee) of DJZ Associate.

Since I also am a full time faculty member at San Jose State University it has been unnecessary for me to be registered according to section 202(11) quoted above.

(2) According to section 203(b)3 of the same

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act "any investment adviser who during the course of the preceding twelve months has had fewer than fifteen clients and who does not hold himself out generally to the public as an investment adviser" is not required to register "to make use of the mails or any means or instrumentality of interstate commerce"

Since I do not at present have, nor have I ever had in the past (nor do I expect to have in the future) as many as fifteen clients, and since I also do not hold myself out generally to the public as an investment adviser, it appears to me that there is no necessity for me to be registered.

Yours sincerely,
Allan Kahn

RESPONSE OF THE BRANCH OF INVESTMENT ADVISER REGULATION
DIVISION OF INVESTMENT MANAGEMENT REGULATION

Our Ref. No. 75-IA-90
DJZ Associates
File No. 801-5879

PUBLIC

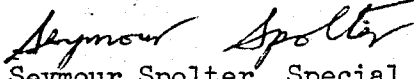
Pursuant to Rule 203-2 under the Investment Advisers Act of 1940 ("Act"), withdrawal from registration requires the filing of a notice of withdrawal on Form ADV-W, which, absent special circumstances specified in the Rule, becomes effective sixty days after filing. However, for the reasons discussed below, it does not appear appropriate for you to withdraw from registration at the present time.

Based on the facts presented, the exclusion from the definition of "investment adviser" provided by Section 202(a)(11)(B) of the Act for teachers whose performance of investment advisory services is solely incidental to the practice of their profession is not available to you. This is a very narrow exclusion and does not encompass a teacher who has established a separate investment advisory business. In response to Item 19(a) on your current form ADV, dated November 15, 1971, you state: "As a faculty member at San Jose State College

I teach courses in the philosophy of science and in elementary physical science. It is difficult for me to find any connection between these duties and my activities as an investment adviser." Thus, it seems clear that your investment advisory business is not solely incidental to your practice of the teaching profession.

The exemption from registration as an investment adviser provided by Section 203(b)(3) of the Act also does not appear to be available to you at present. In order to qualify for this exemption you must meet each of the requirements set forth. In this regard, we have taken the position that a person is considered to be holding himself out generally to the public as an investment adviser if, among other things, he maintains a listing in a telephone directory or on a building directory as an investment adviser, if he uses terms such as "investment adviser" or "investment management" on his stationery, or if by word of mouth through existing clients or otherwise he lets it be known that he is willing to take on new clients. Your stationery holds DJZ Associates out as providing investment management. Furthermore, you have not given us any factual information indicating that DJZ Associates is operating in a manner which does not involve your holding yourself out generally to the public as an investment adviser. Thus, on the basis of the information presently available, we are unable to conclude that you meet the requirements of the Section 203(b)(3) exemption from registration. We will, of course, be pleased to consider any additional facts you may wish to submit regarding this question.

Finally, Section 203(b)(3) was amended effective December 14, 1971 to make the exemption unavailable to a person who acts as an investment adviser to an investment company registered under the Investment Company Act of 1940. Accordingly, if you write to us again on this matter, please indicate whether or not you advise, or intend to advise, a registered investment company.


Seymour Spolter, Special Counsel
Branch of Investment Adviser Regulation

OCT 20 1975
PS:cb