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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
MARKET REGULATION

September 28, 1987

PUBLIC AVAILABILITY DATE: 10-28-87
ACT SECTION RULE
1934 15(a) ---

James E. Stark, Esq.
Second Vice President and
Assistant General Counsel
Anchor National Financial Services, Inc.
Anchor Centre
2201 East Camelback Road
Phoenix, Arizona 85016

Dear Mr. Stark:

This letter responds to your letters of July 29, 1987 and September 10, 1987 on behalf of Anchor National Financial Services, Inc. ("ANFS"), in which you request the staff's advice on the proposal of ANFS to provide brokerage services on the premises of banks, savings and loan associations, and credit unions ("Financial Institutions"). Copies of your letters are enclosed, and in our subsequent telephone conversations, you have made the following additional representations.

First, ANFS and its registered representatives will follow a policy of not making any investment recommendations regarding any security issued by a participating Financial Institution or by any issuer that has a lending relationship with a participating Financial Institution. Second, ANFS will be responsible for compliance with all applicable regulations concerning advertising, promotional, and informational materials. Third, all such materials will clearly indicate that a participating Financial Institution is not a registered broker-dealer.

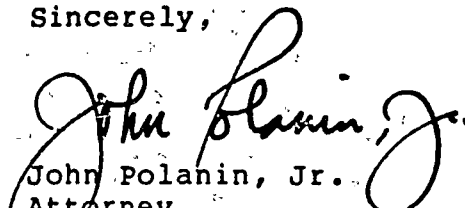
Based on the representations made in your letters and in our subsequent telephone conversations, and based on the strict adherence of each participating Financial Institution to those representations, the staff would not recommend enforcement action to the Securities and Exchange Commission if ANFS offers brokerage services on the premises of Financial Institutions as you describe without the Financial Institutions registering as broker-dealers under section 15(a) of the Securities Exchange Act of 1934. This position is also based on the fact that ANFS is a registered broker-dealer and that all personnel engaged in securities activities will be fully subject to the statutory and regulatory requirements of the federal securities laws and the applicable rules of self-regulatory organizations.

James E. Stark, Esq.
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This staff position concerns enforcement action only and does not represent a legal conclusion on the applicability of the federal securities laws and the rules thereunder. This position is also based solely on your representations, and any different facts or conditions might require a different response.

Sincerely,


John Polanin, Jr.
Attorney
Office of Chief Counsel

Enclosure



Anchor National Life Insurance Company
Anchor National Financial Services, Inc.
Member Pacific Stock Exchange, NASD, SIPC

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Anchor Centre
2201 East Camelback Road
Phoenix, Arizona 85016
(602) 955-0100

OFFICE OF CHIEF COUNSEL

AUG 21 1987

July 29, 1987

DIVISION OF MARKET REGULATION

SECURITIES & EXCHANGE COMMISSION
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AUG 19 1987

DIVISION OF MARKET REGULATION

Susan J. Walters, Branch Chief
Office of Chief Counsel
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Dear Ms. Walters:

Please consider this letter as an application for Anchor National Financial Services, Inc. (ANFS) to provide brokerage services on the premises of Banks, Savings and Loans and Credit Unions hereafter referred to as "Financial Institutions" under your jurisdiction.

ANFS is a registered broker/dealer and is a properly licensed member of the National Association of Securities Dealers, Inc. (NASD). ANFS will function solely in a supervisory and operational capacity on behalf of its representatives assigned to the Financial Institution. All representatives will be properly registered with the NASD.

ANFS and its representatives will transact business for Financial Institution customers in the following product areas:

Equity Securities
Debt Securities
Open-end/Close-end Mutual Funds
Public Limited Partnerships

Option transactions, commodity futures, commodity options, discretionary trading activity and other high risk transactions will be prohibited. It is anticipated that a large majority of the business transacted on Financial Institution premises will consist of conservative investment products (e.g. Mutual Funds, Unit Trusts and Public Partnerships). ANFS will conduct the required due diligence investigation of each such investment product and provide the representatives with a list of those approved for sale.

Susan J. Walters, Branch Chief
July 29, 1987
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Neither ANFS nor its representatives will maintain customer accounts, hold funds/securities for customers or owe funds/securities to customers. These functions will be performed by an ANFS correspondent clearing broker/dealer.

The general securities accounts of ANFS customers will be carried on a fully disclosed basis by a clearing broker/dealer that has entered into a contract with ANFS. Whenever a customer wishes to purchase securities, he or she will send the requisite funds directly to the clearing broker, or to ANFS to forward to the clearing broker, which, in turn, will have the securities sent directly to that customer or his designated depository. Conversely, whenever a customer wishes to sell securities, he will place those securities in a "mailer" for shipment to the clearing broker, which, after settlement, will send a check directly to the customer. All margin loans will be made by the clearing broker. The clearing broker will send customers confirmations and monthly account statements.

All mutual fund and limited partnership transactions will be processed by the representatives on site at the Financial Institution. The clients application and check made payable to the mutual fund or partnership will be forwarded directly to ANFS to forward to the clearing broker or the program'sponsor. A copy will be kept within the clients' file at the Financial Institution and a copy will be retained by the ANFS home office.

All brokerage business conducted on the premises of the Financial Institution will take place in a clearly defined area of the building so as to clearly distinguish that brokerage activities are separate from other Financial Institution activities.

ANFS will establish a "branch office" on site at each designated Financial Institution. The branch office will be identified as ANFS and will be staffed by at least one NASD Series 24 licensed representative who will be the branch manager and responsible for managing the program at that Financial Institution. The branch office will be responsible for complying with all SEC, NASD, ANFS and various state rules and regulations.

The representative who is designated the branch manager will train, supervise and monitor the other representatives who are working at the Financial Institution. ANFS will provide all services such as Compliance and Due Diligence support as well as be solely

Susan J. Walters, Branch Chief

July 29, 1987

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responsible for the supervision of the representatives of the branch office. All parties involved are expected to comply with NASD, Federal and State laws, rules and regulations. The required records will be kept at the ANFS branch office within the Financial Institution.

The Financial Institutions will not be permitted to engage in other brokerage business, except as currently permitted.

All advertising and other client communications will clearly indicate that any and all brokerage services are being performed by ANFS and its representatives and not the Financial Institution. Advertising and sales literature must receive ANFS approval prior to being used. Advertising will refer to the Financial Institution only to identify the location of the ANFS branch office.

The Financial Institution will bear a portion of the cost of the program and receive from ANFS a portion of the commissions and fees generated by the business conducted on the premises. The percentage arrangement will be contracted between the Financial Institution, ANFS and its representatives.

The individual ANFS representatives will also be full time employees of the Financial Institution which will pay their salary.

Written agreements will be entered into between the Financial Institution, ANFS and its representatives. These agreements will specify the responsibilities and commission sharing arrangements of each.

Market making activities and underwriting activities are not involved or permitted in the program, not will they be.

With respect to Financial Institution liability, the Financial Institution will be fully indemnified for all liabilities, claims, damages, costs or expenses associated with the program. It should be pointed out, however, that this indemnification does not apply to the actions of Financial Institution employees who are not involved with the program. We feel that it is inappropriate for ANFS to accept responsibility for such employees and their actions.

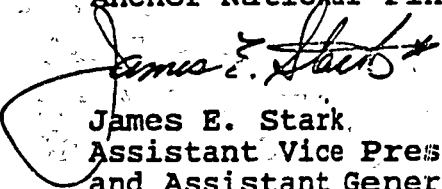
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Susan J. Walters, Branch Chief
July 29, 1987
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ANFS would appreciate your review and comments on this matter. If you do not have any objections, we would like to begin doing business in this manner as soon as possible.

Please direct any questions to my attention.

Sincerely,
Anchor National Financial Services, Inc.


James E. Stark
Assistant Vice President
and Assistant General Counsel

JES:cj



Anchor National Life Insurance Company
Anchor National Financial Services, Inc.
Member Pacific Stock Exchange, NASD, SIPC

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Anchor Centre
2201 East Camelback Road
Phoenix, Arizona 85016
(602) 955-0300

September 10, 1987

SECURITIES & EXCHANGE COMMISSION
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SEP 11 1987

John Polanin, Jr.
Office of Chief Counsel
Division of Market Regulation
Securities and Exchange Commission - Mailstop 5-1
450 5th Street N.W.
Washington D.C. 20549

DIVISION OF MARKET REGULATION

Dear Mr. Polanin:

This letter is in follow-up to my July 29, 1987 letter to your branch chief, Susan J. Walters, and your subsequent telephone call to me of August 28, 1987. In our conversation you asked that Anchor National Financial Services, Inc. undertake certain representations in regard to our request to provide brokerage services on the premises of selected financial institutions. I will address each of your areas of concern in the order in which you presented them.

1. Recommendations

Neither the financial institution nor its non-registered employees will be permitted to make recommendations concerning securities investments to clients. Any recommendations made incidental to the broker/dealer business will be made only by registered representatives of ANFS.

2. Advertising Copy and Forms

The branch office will primarily utilize ANFS prepared and approved advertising copy and materials. All new account forms, confirmations, account statements and notices will be on the forms of Pershing Securities, a division of Donaldson, Lufkin and Jenrette, Inc., which is the fully disclosed correspondent broker for ANFS. All branch office letterhead, calling cards, and other documentation will clearly indicate that the ANFS operation is separate and apart from that of the financial institution. There will be no prominent references to the financial institution on any such forms.

John Polanin, Jr.
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3. Securities Customers Dealings

No non-registered financial institution employees will deal with customers in any ANFS securities-related transactions.

4. Inspection of Records

The branch office records will be fully available for securities regulatory authorities inspection on the premises of the financial institution.

5. ANFS Affiliation

We understand that pursuant to Section 3(a)(18) of the Securities Exchange Act of 1934, the respective financial institutions will be deemed "associated persons".

6. Barred/Suspended Persons

We understand that any registered representatives or principals, if barred or suspended by ANFS or any regulatory authority, may not be utilized by the financial institution for any securities transactions.

7. "Chinese Wall"

The securities business of ANFS will be separate and apart from the business of the financial institution. The financial institution's non-registered personnel will handle neither funds nor securities belonging to ANFS customers.

8. Supervision

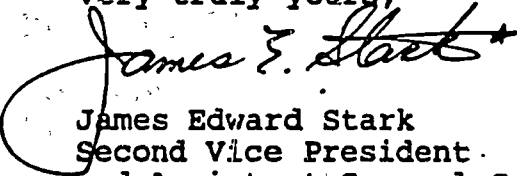
Each branch will be supervised by a registered ANFS principal and an operations and compliance manual will be provided to each of the ANFS registered personnel. In addition, copies of the ANFS operations and compliance manual will be provided in sufficient quantity to financial institution management in order that it may instruct its non-securities registered employees as to their duties and responsibilities as well as the prohibitions regarding ANFS securities clients.

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John Polanin, Jr.
September 10, 1987
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I believe the above eight items encompass the concerns which you expressed to me on the telephone. Should you need further elaboration or undertaking please do not hesitate to call. My toll-free number is 800-453-1116, ext. 4022. Thank you again for your recommendations and attention to this matter.

Very truly yours,



James Edward Stark
Second Vice President
and Assistant General Counsel
Anchor National Financial Services, Inc.

JES:cj

cc: AFS
T.B. Phillips
G.W. Robinson
R.B. Bequette